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THE JERUSALEM POST

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SECOND EDITION



Margaret Thatcher and Shimon Peres greet Sport Aid runners as they pass the Prime Minister's Office in Jerusalem yesterday. (Brian Hendler)

'We demand more of you...' Thatcher to Peres: Start devolution steps on West Bank

By BENNY MORRIS
Jerusalem Post Correspondent

Israel should start the devolution process in the administered territories and hold municipal elections there, Margaret Thatcher told Premier Peres yesterday.

The British Prime Minister, who visited Jerusalem for the first time, said she was "demanding more of you" in the territories, monitoring and assisting in the devolution.

Thatcher insisted that the PLO could not be a party to the Middle East peace talks before it renounced terrorism and recognized Israel.

But she stressed that if Israel was unwilling to talk to the PLO, it must encourage the maturation of an alternative leadership among the

In pictures, on page 5, Margaret Thatcher's varied first day in Jerusalem.

delegations who could be party to the talks. In this context, she stressed the holding of elections in the territories to facilitate the emergence of such an alternative leadership.

Germanic improvements in the when a peace cannot be a substitute for Menachem Begin's peace policy, Margaret Thatcher said last night, responding to a warm speech by Prime Minister Peres.

The two premiers were speaking at a Knesset dinner, given by Peres in honor of Thatcher, the first British prime minister to visit Israel while in office. Peres urged his UK counterpart to use her close ties with the Arab leaders to further the peace process.

He urged her to use her influence in meetings scheduled for today with West Bank and Gaza leaders to convince them that they must improve relations with Israel.

Referring to her coming meeting with King Hussein, Peres said he hoped the Jordanian monarch would overcome his timidity in working towards a solution of the Palestinian issue.

Peres also dwelt on his hope for Israel's settling its disagreements with Egypt, and assured her of Israel's readiness to do everything to reduce tension with Syria.

Millions run for African relief in 200 cities

LONDON. — Up to 20 million people from San Francisco to Sydney were pounding the streets of more than 200 cities yesterday in the climax to Sport Aid fund-raising week, many braving heat, darkness, rain and even illness to raise funds for starving Africans.

Young and old in 75 countries were taking part in the 10km simultaneous sponsored "race against time" billed as the biggest global athletic event of all time. Organizers hope to raise \$150m for famine relief.

In Australia where the race was to start at 2 a.m., thousands were running by torchlight. In India, 30,000 people in 16 cities were braving pre-monsoon heat, organizers said.

In Abu Dhabi, authorities were urging people to take part despite 32-degree temperatures. But state radio announced women must wear long skirts or jogging trousers to respect Islamic dress codes.

Tireless fund-raising rock singer Bob Geldof, whose live aid charity concerts raised \$80m for Africa last year, defied advice from doctors and insisted on running in London's Hyde Park despite a week-long bout of tonsillitis. An estimated 200,000 people took part in the London run, including pop stars Sting, Rod Stewart and Boy George.

In Iceland, some 15,000 people — more than 5 per cent of the population, ran under cloudy skies along shores and dirt roads.

The race started as Sudanese athlete Omar Khalifa arrived at UN headquarters in New York at the stroke of 1500 GMT with the Olympic-style torch he lit in his native country on May 17. The event marked the end of his series of runs through 13 cities totalling more than 160 km.

Jack Leon adds from Tel Aviv.

While the eyes of the world were focused on Omar Khalifa's appearance in New York, Israel also had a Khalifa among its top athletes participating in this country's Sport Aid effort. He was 5,000-metre champion Yehoshua Khalifa, 22, of Moshav Ezra, who was injured in the terrorist hijack of the Tel Aviv-Ashdod bus two years ago. Khalifa, a sabra whose parents came here from Iraq, is also a leading half-marathon and cross-country runner. Other Israeli athletic stars turned out at Tel Aviv's Yarkon Park for a 10km run. Like the 5km run in Jerusalem the ages of the participants ranged from 8 to 60 plus.

Thatcher also said that she and Peres had discussed the repercussions of the Iran-Iraq war on the Middle East problem.

The two leaders spent close to two-and-a-half hours in private conversation.

Peres reportedly said that he

(Continued on Page 2, Col. 4)

ANALYSIS Battle over rule of law

By DAVID LANDAU
and BENNY MORRIS
Jerusalem Post Reporters

The police investigation into the senior official, reluctantly acquiesced in by the Inner Cabinet yesterday, will now become the focus of the battle between the judicial authority and the executive arm of government.

The attorney-general, Prof. Yitzhak Zamir, convinced that at stake is the rule of law in this country, will press for a thorough and conclusive investigation, uninfluenced by the determined opposition of most senior ministers to pursuing this case.

Publication of the full facts seems imminent. Foreign media were reportedly about to break the story abroad last night.

Full publication can be expected to strengthen Zamir's position in key sections of public opinion — and this will prod the police to carry out the full investigation which he demands.

Until now, Zamir has fought his battle virtually alone within the highest policy-making forums. Such cabinet support as he has had has come from less than a handful of junior members.

The inner cabinet stands solidly against him — including the present and past justice ministers, Yitzhak Moda'i and Moshe Nissim.

Some aspects of the ongoing public controversy over an attorney-general's powers arose coincidentally to the longstanding but secret argument over the senior official. Nevertheless, the case of the senior official has exacerbated the debate over these powers, with both sides finding sustenance for their positions.

For Zamir and his small band of supporters, the case is a classic confrontation between the rule of law

(Continued on Page 2, Col. 2)

Threat of serious crisis over 'senior official'

By BENNY MORRIS
and ASHER WALLFISH
Jerusalem Post Correspondents

A constitutional crisis, with major political and security ramifications, broke out yesterday following the inner cabinet's failure to suspend a senior official who is under investigation for serious crimes.

The inner cabinet felt that it was unable to challenge Attorney-General Yitzhak Zamir's decision to launch a police investigation against the senior official. But Premier Peres stressed that the interests of state security should in this case prevail over legal considerations.

The sentiments of the cabinet members were immediately and publicly challenged by several other ministers and have caused deep concern within the legal community.

Cabinet secretary Yossi Beilin yesterday denied that the cabinet was pressuring Zamir to change his decision ordering a police investigation of the "senior official."

Beilin, in a briefing after the cabinet meeting, affirmed that the cabinet does not have the power or the right to affect a change in the decision of the attorney-general. Beilin said that the attorney-general is the final arbiter in whether or not to open legal proceedings or a police investigation against anyone.

The cabinet can, in theory, call on the attorney-general to change his opinion, Beilin said. But it did not do so yesterday.

Yesterday morning the inner cabinet discussed Zamir's decision to investigate the senior official and the problem of the official's status during the investigation. The 10 ministers decided to impose blanket secrecy on the subject.

Peres did not brief the full cabinet on what had happened.

In a statement following the cabinet meeting, the cabinet secretary said: "The affair of the 'senior

official' is not connected to the question of whether the attorney-general's powers should be changed. There is no such proposal before the cabinet."

Observers in Jerusalem doubted whether the government's decision to block all publication of details about the affair would be successful.

Newspaper reports yesterday said that the senior official was involved in an important investigation by a commission of inquiry.

On the basis of this information Zamir decided to lodge a complaint with the police, ordering them to investigate the matter.

The debate within the top government echelons is expected to keep the political and legal worlds in this country in turmoil for the foreseeable future.

Peres's statement in the cabinet — apparently referring to the problem of the official's suspension — to the effect that security considerations in this case take priority over legal considerations has already been challenged by two veteran lawyers in the cabinet. Their protest is already

being echoed in the parliamentary level and in the legal profession.

The fact that the roots of the affair are a matter of public record, and that the episode leaves ample room for exploitation on political grounds — these mean that the facts will come to light sooner or later, with far more damage to the ministers involved and to public morale that would have been the case had Peres found the courage to make a clean breast of it all.

Energy Minister Moshe Shahal said yesterday's weekly cabinet meeting that the cabinet has no right to interfere in the attorney-general's decision to order a police probe, and nothing to say, once that decision has been taken. It is forbidden for the cabinet to express any opinion at that stage, Shahal said.

Communications Minister Amnon Rubinstein said Israeli law takes many considerations into account, including security. He made this point to counter Peres's comment about the clash between law and security.

Rubinstein said that he could not accept government pressure upon the attorney-general, whose independence of action must be totally upheld. He recalled that the first prime minister, David Ben-Gurion, clashed with the first attorney-general Ya'acov Shimshon Shapira over the Tubbansky execution scandal in 1948 but finally conceded that Shapira was right to see that then-security chief Isser Beeri be put on trial for aborting justice.

Apart from Shahal, who was a practicing lawyer before entering the cabinet, and Rubinstein, a former dean of the Tel Aviv University law school, Economics Minister Gad Ya'acobi, also protested that the senior official affair had been discussed secretly in the inner cabinet without giving the full cabinet a chance to express itself.

(Continued on Page 11)



Attorney-General Zamir (Isaac Harari)

Hussein visit to Assad was aimed against Fatah

By YEHUDA LITANI
Post Middle East Editor

King Hussein's surprise visit to Damascus which ended yesterday was aimed at further isolating PLO leader Yasser Arafat, very reliable sources said yesterday.

The Jordanian king went to Damascus on Saturday after learning that top Fatah official Abu Iyyad had tried to make direct contact with Syria's President Hafez Assad. Hussein also sought to mediate between Syria and Iraq, so as to cut Iraqi support for Arafat, the sources said.

Since Hussein cut his ties with the PLO's political leadership in February, the organization has been trying to renew its alliance with Damascus. Meanwhile, as Jordan-PLO relations have deteriorated, Baghdad has served as the organization's main fall-back position. If Hussein manages to lessen hostility between Syria and Iraq, Arafat could lose this important base.

Monte Carlo Radio, quoting reliable sources, reported last night that Hussein had been relatively successful in closing the gap between Iraq and Syria.

Hussein held a six-hour tête-à-tête with Assad.

Reliable Western sources said last night that Hussein was determined to end the activities in Amman of Abu Jihad — the commander of Fatah's western wing — and expel him from Jordan quickly. There were reports last week that Abu Jihad (Khalil al-Wazir) would soon move to Baghdad and that his family had already rented an apartment there.

Americans join hands for the hungry across continent

NEW YORK (AP). — Millions of volunteers extended hands to the hungry, the homeless and each other yesterday, joining hands in an unbroken line from one end of the continent to the other.

The line, spanning 6,637

kilometres, was thick with people, swaying to the strains of "We are the world" and holding clasped hands aloft at its terminuses in New York City and Long Beach, California.

Organizers had said they needed more than five million people to

form the chain, and hoped to raise \$50 million or more for the hungry and homeless.

At the White House, a casually dressed President Reagan stood in line with his wife Nancy and members of his staff.

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Reports show Waldheim was well informed

By ERNIE MEYER
Jerusalem Post Reporter

First Lieutenant Kurt Waldheim, just by all accounts, have been one of the best informed men in the Balkans during most of World War II. This becomes clear as one reads one of the morning and evening intelligence and situation reports he prepared daily for the high command of German Army Group E. All are marked "secret" and addressed to Lt-Colonel Herbert Wamstorf.

They are signed Waldheim, Oberleutnant (First Lieutenant) under

the abbreviation F.d.R. — Fuer die Richtigkeit (responsible for the correctness).

Seventeen facsimile copies of the reports have been made available to The Jerusalem Post by the World Jewish Congress, which obtained them from archives in the U.S., where they were stored after the war. They cover the periods July 11-17 and December 2-31, 1944.

While the excerpts contain no evidence linking Waldheim to war crimes, they do provide background material showing the extent to which he was privy to everything on the Balkan front. And they render hollow all his later claims that he knew nothing of reprisal burnings of partisan villages, other atrocities, and the deportation of the Greek Jews.

The enemy forces are regularly referred to as *Banden*, or bandits and gangs, although there are also more specific references, such as to Tito and the *Cemiks* (right-wing partisan groups). These "gangs" are

ANALYSIS ERNIE MEYER

often referred to as being of company, battalion and sometimes division strength.

During December 1944, the period of the second group of reports, the Germans still had 15 of their own divisions in Yugoslavia, with about 400,000 soldiers. Before the capitulation of Italy, Axis forces in the Balkans numbered almost 700,000 men.

While only a specialized military historian could do the reports full justice and place them in their proper perspective, the following straight translation of a typical passage gives some idea of the material that Waldheim handled.

The passage is from an Addition

to the Daily Report to Army Group 4: 2.12.1944.

"Internal Situation: Montenegro: In front of our own units NO (north-east) of Biocce further tough resistance. The 3. Div. Cetnik unit Djuric hesitantly joins in our own advance. Their attitude is unclear. For the moment, about 1,000 of them are fighting jointly with our forces in the area north-east of Biocce. Regarding the advancing column of the VII.3. Div. (Tito) (see this morning's report) there is no further information. According to reports by some of our men returning from captivity with bandit forces, there is fighting in the area of Ledence. The gangs are probably under English leadership (probably units from abroad)."

"Every platoon probably has 2-3 Englishmen with it. The gangs wear the Soviet star on their uniforms; they are well armed, fed and equipped (English supplies). Good fighting spirit. Of heavy weapons there

(Continued on back page)

EIGHT PAGES
FROM SUNDAY'S
The New York Times
WEEKEND EDITION
INSIDE TODAY

Cleaning ladies in the day and performances at night

By ROBERT ROSENBERG
Jerusalem Post Reporter

In the morning, between the Israel Festival shows of last night and tonight, the cleaning ladies work through the hallways, pushing vacuum cleaners and commenting on the bit of plastic art hanging in the massive lobbies of the Jerusalem Theatre. The most they'll get of the performing arts is as they lean on their brooms while watching a few minutes of rehearsal.

A large piece of brown wood covered with old shoes, neatly glued or tacked to the wood, stands upright in the lobby. A fat woman, in a blue cleaning company uniform, compares her shoes to those on the panel. Her friend takes a break from pushing a mop along the marble floor. "Those look like the shoes my mother was wearing when we came to this country and lived in the ma'abara," said the fat woman's friend.



Those look like my shoes will look if my husband doesn't go back to work and let me get off my feet," said the fat woman.

There had been performances of two sombre works of Polish theatre—*Requiem* and *End of Europe*. Yossi Akiva, owner of the Backstage restaurant, isn't worried yet about the several thousand shekels worth of extra supplies that he has laid on for the three weeks of the festival. After plays like those, he says, "nobody has much of an appetite." When the dance performances begin, "then things will work out fine."

Festivals have a temperament of their own. It's still too early to say which way the wind is blowing at this one. Many of the foreign troupes haven't yet arrived.

No Lindsay Kemp—gaily traipsing

On a bulletin board in the office there's a hand-scrawled message to the liaison workers dealing with the foreign performers: "The Festival will not pay for extras (drinks, etc.) at the hotels. Be sure to let the performers know this."

When Kotler's door opened, he was asked when we can expect "the click" that will identify this festival as having this or that temperament. "You'll all know when it happens," he says.

Ishai Amrami, the Festival's managing director, stood on the roof of the theatre playing *Fiddler on the Roof* at the jocular, but hardly impressive, opening ceremonies last Friday. He explained to reporters that it's better to hold a festival in one city rather than scatter it around the country.

"A festival is not a bunch of performances," he said. "A festival is

an entire environmental experience. People should go to see two or even three performances a day."

But so far, all performances are scheduled at night, while in the daytime there are only the cleaning ladies and the administrators.

The only daytime performance yesterday was a recording session of a concert by the Broadcasting Authority Symphony Orchestra. The players wore jeans and tee-shirts. On the doors to the auditorium were signs saying: "Do not disturb! Recording in progress."

A cleaning lady watched through a crack in the door. Her body seemed to sway to the music. But as one of her bosses passed by she quickly went back to polishing the wooden banisters of the wide, red-carpeted staircase leading to the mezzanine floor. (See also "Market Place" page 11).



The Kibbutz Seminar dance troupe performs the "Theatre of the Neutral Mask" at the Israel Museum's sculpture garden. The piece, by choreographer Neli Ammar, is one of 25 modern dance and theatre performances to be presented at the museum tomorrow evening during a four-hour Lag Ba'Omer programme, "Gallery in Movement."

Gaza Strip economy in decline, report shows

By JOEL GREENBERG

The Gaza Strip is governed by "a system of discrimination and injustice," and this is reflected by a decline in the Palestinian economy and the Strip's educational services, which are in stark contrast with the living standards of Jewish settlers in the area, according to the newly published report on Gaza by Meron Repuvisti's West Bank Data Project.

In 1973, the income earned by Gaza Arabs in Israel accounted for 31 per cent of the area's total income. But today, income earned in Israel amounts to half the Strip's total income. This clearly points to the area's increased economic dependence on Israel, the report says.

And at the same time, the area's per capita gross national product (GNP) remains one fifth of Israel's, leaving Gaza, according to the report, "still firmly in the third world."

As its dependency on Israel grows, Gaza's own economic base is weakening, as its two main sources of livelihood, citrus production and fishing, are deteriorating.

The report says that citrus production, which was 243,000 tons in 1975, had dwindled to 164,000 tons in 1984. This decline is mainly attributed to shrinking export markets: Israel discourages Gaza citrus exports to Europe, competition from Cuba has reduced demand in Eastern Europe, and the Iranian revolution has ended exports to that country.

Jordanian import quotas and restrictions on marketing Gaza produce in Israel have further aggravated the situation.

By contrast, says the report, Israeli farmers have "unlimited access" to Gaza fruit and vegetable markets, and that is "effectively turning the Strip into a dumping ground for Israeli produce."

Citrus production has also suffered from restrictions on water use, imposed by Israel to prevent the lowering of the underground water table. These restrictions, according to the report, do not apply to Israeli settlements inside the Strip.

The Benvenisti report is being published by The Jerusalem Post

Gaza's fishing catch declined dramatically from some 3,800 tons in 1968 to 420 tons in the first eight months of 1985. This is primarily due to a 12 kilometre offshore fishing limit set by the Israeli military government and by Egypt's refusal to allow Gazans to fish in the Bardawil Lagoon off northern Sinai.

Gaza's industrial sector, stagnating due to a lack of Israeli or Arab investment, is characterized by small-scale cottage industries which provide only limited employment opportunities. These industries act as subcontractors for Israeli firms.

and this arrangement is the major form of Israeli investment in the area.

Schools in the Gaza Strip are overcrowded and deteriorating physically, according to the report. Despite the large growth in population, the number of secondary-school matriculants has reportedly declined, because of an increasing number of school dropouts seek jobs in Israel and because there are only limited employment opportunities for persons with higher levels of education.

Unemployment has been aggravated by the drop in demand for Palestinian workers in the Persian Gulf area due to the Iran-Iraq war and the decline in world oil prices.

Jewish settlers in the area live in dramatically better conditions. While 18 Jewish settlements are inhabited by 2,150 persons and occupy 22,250 dunam of land, Gaza's eight refugee camps occupy 5,500 dunam, to which 3,500 additional dunam have been added for refugee housing projects.

"If Jewish settlers lived in a population density equal to that of the Arabs in Gaza, they would inhabit one square kilometre," says Benvenisti.

The Jewish settlements' agricultural output competes with local produce, and the Israeli marketing board, Agrexco, has thus stopped marketing Arab-produced vegetables from the territories, the report says.

Bundestag visit aimed to heal strains

By WLADIMIR STRUMINSKI

Last week, the West German Bundestag performed an extraordinarily rare act: its president and all four of its deputies went on a joint trip to Israel. It was only the second time ever that the complete leadership of the Bonn parliament travelled abroad together since its establishment in 1949. The only other time was a visit to neighbouring Austria in the 1970s.

Officially, the legislators had come at the invitation of former Knesset speaker Menachem Begin, who had visited Germany in 1981. In reality, however, this week's visit was more than just a routine call on old friends. The decision to send a delegation at the highest possible level was taken by the Germans on their own initiative.

A senior German source made it clear that this step was designed to make up for the strains in the German-Israeli relations that began when then prime minister Menachem Begin clashed with Federal Chancellor Helmut Kohl, on Kohl's visit to Israel in January 1984. The anti-Jewish remarks of late by some members of Kohl's party did not help matters either.

In spite of the recent discord and a round of meetings with such figures as President Helmut Kohl, Knesset Speaker Shimon Peres, Prime Minister Pines and Vice Premier Shamir, the media treated the visit as virtually a non-event. It certainly aroused few emotions.

The public's reception aroused a certain amount of disappointment in the German delegation. "We are getting boring," said one member of the delegation, adding with just a touch of irony: "But this is a good thing."

One reason the low-key reception could be interpreted in a positive light was that it indicated how close and frequent Israeli-German contacts have become. It makes it difficult for any single event to garner much interest.

All four vice presidents of the Bundestag are members of the German-Israeli Parliamentary Group. Bundestag President Philipp Jenninger was a member for 10 years, although today his top post bars him from continuing to be. The Christian-Socialist Vice President Richard Stücklen is a founding member of the group, while the Social Democrat Annemarie Renger is its chairwoman. The other Social Democratic vice president, Heinz

Westphal, is an old friend of Israel, too, with the Liberal Julius Cronenberg completing the picture.

While these close contacts with Israel made the Germans' visit less than a media event, on a political level they have helped Israel enlist Bonn's support for Jerusalem in international forums. This was evidenced in last week's visit, when the Germans promised to raise the issue of Soviet Jewry with Soviet representatives at this week's session of the Interparliamentary Union in Bonn.

In addition, Jenninger announced that the delegation would support the idea of assigning an attaché for youth affairs at the German Embassy in Tel Aviv to step up meetings of young people between the two countries. This, to be sure, was footwork rather than spectacular results. But for Israel, the youth exchange with Germany is an important means of presenting its point of view to the young generation of Germans.

The guests were rather non-committal with regard to Peres' "Marshall Plan" for economic development in the Middle East, welcoming it in principle rather than operational terms.

HOME NEWS IN BRIEF

Charged with sex crime, doctor flees country

HAIFA (Itim). — After searching nearly two years, the police have failed to locate a Haifa doctor charged with anesthetizing an American volunteer and then sexually molesting her.

A police representative told the magistrates court here yesterday that Dr. William Hochfeld, 42, had fled the country after being released on bail in July 1984.

Hochfeld is also suspected of altering his general practitioner's licence to indicate that he was permitted to practise as a gynaecologist, the police representative said.

Judge Amiram Rand issued an arrest warrant for Hochfeld should he return to the country.

Protest French Ph.D. for death camp denier

TEL AVIV (Itim). — The chairman of Second Generation, an organization of children of Holocaust survivors, yesterday submitted a petition of protest to the French ambassador against Nantes University's award of a doctoral degree for a thesis that claims that the Nazi death camps never existed.

The petition, submitted by Avi Ehrlich, demanded that the French minister of higher education cancel the degree, expel the professor who approved the thesis from the university, and take legal action against them.

Suspect was beaten — but confession stands

NAZARETH (Itim). — A district court judge here recommended yesterday that two police investigators be tried for beating a suspect to force him to confess. But the judge accepted the suspect's confession as valid.

Shlomo Halbazi, charged with attempting to smuggle 865 kilos of hashish from Lebanon, said the investigators had beaten him with a rubber hose. A policeman who saw him after the beating supported his testimony.

Judge Abdel Rahman Zuabi accepted Halbazi's version of the beating as true, but ruled that he had confessed of his own free will, and that his confession should stand.

Kfar Sava bomb injures local man

Kfar Sava (Itim). — Two bombs exploded here yesterday morning, one of them injuring a local man.

The first bomb exploded at 9:45 a.m. near the corner of Rehov Yehoshua and Rehov Weizmann. Daniel Sharim, 65, was hit in the legs by the shrapnel and suffered moderate injuries. He was taken to Meir hospital.

The second bomb exploded nearby 20 minutes later, but caused no injuries.

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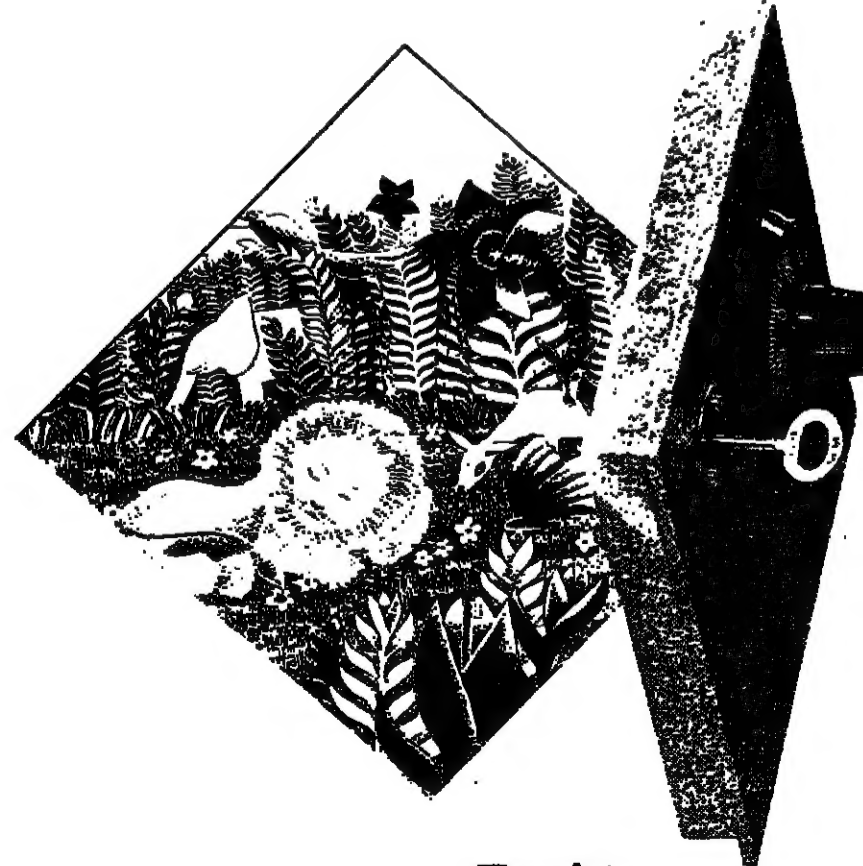
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Sri Lanka army says six-day operation has ended

Massacre by Tamil rebels charged

COLOMBO (Reuters). — Citizens' committees in Jaffna, stronghold of Tamil guerrillas fighting for a separate state in Sri Lanka, appealed to President Junius Jayewardene yesterday to stop a military offensive that they say has so far killed 90 residents.

Military spokesmen have said the six-day operation to clear roads and secure bases ended successfully on Friday. Thirty rebels, two soldiers and one civilian were killed, according to officials.

Officials have denied residents' reports of bombing raids in Jaffna and suburbs. Spokesmen said helicopters fired guns and rockets at guerrilla positions and fixed-wing aircraft were used only for reconnaissance purposes.

In the meantime, it was reported that Tamil guerrillas massacred 20

Sinhalese villagers, including 10 children, in an upsurge of separatist violence in eastern Sri Lanka.

The killings, including the gruesome murder of 10 people made to kneel, came during the country's two holiest days, when the majority Sinhalese celebrate the Buddhist festival Wesak.

Since the festival started on Friday morning separatist rebels have killed 32 people in a series of raids on Sinhalese villages in Trincomalee district in eastern Sri Lanka.

Defence Secretary-General Sepala Attigalle said the attacks were intended to drive Sinhalese out of a region which the rebels want included in a Tamil nation stretching south from the Jaffna peninsula to include one quarter of the country.

Our London Correspondent adds: A PLO bomb was almost certainly responsible for the explosion on the Sri Lankan Tristar jet at Colombo airport on May 3, the Mail on Sunday reported yesterday.

The explosion, which killed 16 people, was not the work of Tamil terrorists, as first believed, the paper claims. It said that the explosives were in the process of being airlifted to the PLO's base on the Maldives Islands when, following an unexpected 24-hour delay at Colombo, they became unstable and detonated.

The paper said that intelligence experts became suspicious when they discovered that one of those killed was the pregnant wife of a PLO official on the Maldives. She is thought to have been used as the cover to transport weapons and explosives.



Yelena Bonner, wife of Soviet dissident Andrei Sakharov, arrives at Roissy airport in Paris yesterday from Boston, where she had been receiving treatment for a heart ailment. Mrs. Bonner is expected to stay in France for three days, meeting with both French Prime Minister Jacques Chirac and President Francois Mitterrand, before returning home. (APF)

Afghans bomb four Pakistan border posts

ISLAMABAD. — Afghanistan has heavily shelled and bombed four Pakistani border posts near where one of its intruding jets was reported shot down, the Pakistan Foreign Ministry said yesterday.

It said that Afghan artillery shelled the militia posts on Wednesday in the northwestern Kurram Tribal district and then planes dropped 60 to 70 bombs on two of them. The posts were damaged but there were no casualties.

Pakistan said its F-16 jets shot down a Soviet-built Afghan SU-22 ground attack plane and hit another of four intruding planes on May 17.

In New Delhi, the United News of India reported that five Pakistani nationals were shot to death early yesterday in two separate encounters with the Indian border security force.

The shootings occurred in the Anup Garh area of the northwest Indian state of Rajasthan, about 370 kms. west of New Delhi.

The number of such killings has increased in recent weeks as India has stepped up its border security activities to try to stem the flow of smugglers and mercenaries from Pakistan. India has accused Pakistan of harbouring and training Sikh militants, who are fighting a separatist guerrilla campaign in Punjab state. Pakistan denies the allegation. (Reuters, AP)

Weekend death toll rises to 16 in South Africa

JOHANNESBURG (Reuters). — The official death toll in South African protest violence this weekend rose to 16 yesterday, when police said the bodies of eight men had been found who appeared to have died in battles among blacks.

On Saturday, police said they shot dead eight black men. Five of the men reported dead yesterday were killed in Kwamashu, a Durban township racked by battles between radicals seeking the abolition of apartheid and those they accuse of working with the white authorities.

More than 30 people were killed last week in similar battles in the Crossroads squatter camp near Cape Town.

White newspapers yesterday drew parallels between anti-apartheid protests by blacks and the actions of white extremists who broke up meetings attended by Foreign Minister P. W. Botha and Agriculture Minister Sarel Hayward last week.

Police enforced strict security Saturday in the small white town of

Ellisras to prevent members of the right-wing Afrikaner Weerstandsbeweging (AWB, Afrikaner resistance movement) from disrupting a speech by Law and Order Minister Louis le Grange.

A cartoon in yesterday's Afrikaans-language Sunday paper Rapport showed black nationalist leader Oliver Tambo embracing AWB leader Eugene Terreblanche and saying: "We're giving them real hell — eh, old friend?"

The Durban Sunday Tribune recalled that President P. W. Botha, himself, a target of AWB anger, was known during the 1940s — when the National Party was trying to win power to enforce apartheid — as a dab hand at breaking up political meetings. It remarked on the "poetic justice" of the situation.

The Tribune called for freedom of speech for all, including Tambo's banned African National Congress (ANC), the main black nationalist movement in South Africa.

Iraqis set tanker ablaze in Gulf

ROTTERDAM (AFP). — The Cyprus-registered tanker W. Enterprise, hit by a missile fired by Iraqi warships in the Gulf yesterday, was aflame and being towed away, a spokesman for the salvage company, Smit Tac, announced here yesterday.

First reports said the ship's Norwegian captain had been hurt and would need hospital treatment, and that he had been taken on board a Smit Tac ship. The fire was still burning, but the crew had been taken off unharmed.

The spokesman said a missile had hit the engine room and started a fire

which spread to the crew's quarters, although the flames had not yet reached the 320,000 tonnes of oil loaded at the Iranian oil terminal Kharg Island.

The Dutch salvage company had ordered a fire-fighting vessel, the Smit Falcon, to go to the aid of the 177,545 ton W. Enterprise, which is operated by Marine Management of Oslo.

The other Smit Tac vessels based in Bahrain were also on their way, the spokesman said. Four Dutch salvage specialists left here yesterday to fight the fire.

FOREIGN NEWS IN BRIEF

Injured Somali leader in Saudi hospital

RIYADH (AFP). — Somali president Mohamed Siad Barre was flown to a military hospital here Saturday after a car crash in Mogadishu, but Somali officials denied reports that he had been seriously injured.

Informed hospital sources said earlier that the 65-year-old general, who has ruled his country for the past 17 years, was unable to speak as a result of the accident Friday and had a series of X-rays since arriving at the hospital's emergency ward.

Taiwan landslide kills 13, buries dozens

TAIPEI (AP). — A landslide rushed down a scenic gorge in central Taiwan on Sunday, killing 13 tourists and leaving dozens of others buried, a police official reported.

A police official said rescuers dug 13 bodies from mud and debris and believe "dozens" of others were buried. The official said about 200 policemen and rescuers have rushed to the Tai Chi gorge, 170km. southwest of Taipei. The gorge is a popular tourist attraction with several waterfalls and a winding path.

Two dead in British air show collision

MILDENHALL, England (Reuters). — Two airmen were killed when a British military jet plummeted to the ground yesterday after a mid-air collision in front of tens of thousands of spectators at one of the world's major air shows.

The two people in the aircraft, a 1950's Gloster Meteor, died instantly, firemen said. A Defence Ministry spokesman gave no details but said the other aircraft, a De Havilland Vampire also first issued in the 1950's "did not land in the conventional manner." Witnesses said they saw two people parachute to the ground after the two aircraft appeared to touch.

Party likely to have main say in post-Gromyko era

Foreign ministry shake-up at Kremlin

MOSCOW (Reuters). — The monolithic Soviet foreign policy machine built up by Andrei Gromyko has finally been broken up with the appointment of two new deputies to his successor Eduard Shevardnadze. Former ambassador in Paris Yuri Vorontsov and Anatoly Kovalov were named on Wednesday as joint First Deputy Foreign Ministers.

The shake-up was followed on Saturday by Kremlin leader Mikhail Gorbachev delivering a major speech to Soviet ambassadors which Western embassy analysts say is likely to have called for more dynamic and effective Soviet diplomacy.

Gorbachev delivered the speech Saturday at a meeting attended by Foreign Minister Eduard Shevardnadze, former Washington ambassador Anatoly Dobrynin, envoys summoned home from across the world and other senior officials.

Western diplomats said the appointments seemed to be part of a

wholesale reorganization of the Kremlin's somewhat archaic foreign policy machinery. It includes a game of "musical chairs" among the major ambassadorships, culminating in the naming of Yuri Dobrynin to the plum posting of Washington on Tuesday.

The main aspect of the shake-up is an apparent shift in the centre of gravity of foreign policy-making from the Foreign Ministry to the Communist Party, the diplomats said.

During Gromyko's 28-year reign as foreign minister, which ended last July, the ministry assumed an unusual degree of control over the Communist state's relations with the world. Normally under the Soviet system ministries have a largely executive function and key decisions are taken in the Communist Party's elite core, the Central Committee.

The new centre of attention is former Washington ambassador Anatoly Dobrynin, effective head of

the Committee's International Department.

"It's almost like having a sort of national security council as a counterweight to the state department," one expert commented, referring to the U.S. system. Another said Dobrynin's position may become comparable to that of Henry Kissinger, who played a major role in U.S. foreign policy while serving as National Security Adviser.

Diplomats said they detected concern among Soviet leaders that foreign opinion was not responding positively enough to initiatives, especially on arms control, which Gorbachev launched after he took power in March last year.

"Gorbachev is concerned about why various countries are not warming more to his initiatives. He would like to see public opinion handled better and Soviet policies sold better," one diplomat said.

SPORTS

Canadiens win 23rd Stanley Cup

CALGARY (AP). — Brian Skrudland, the hero of game 2, scored the tie-breaking goal midway through the second period and the Montreal Canadiens rode the goalending of rookie Patrick Roy to a 4-3 victory over the Calgary Flames to claim an unprecedented 23rd National Hockey League championship.

Roy, named winner of the Conn Smythe Trophy as most valuable player of the championship series, surrendered two late goals but made a big save in the last minute to protect the lead. He finished with 30 saves.

In wrapping up the best-of-seven Stanley Cup championship series in five games, the Canadiens showed defensive prowess in the second, highest scoring game in the NHL this year.

Roy had some help from the postgame as he took his 30th save. He had 14 in the first period on a goal by Guy Gosselin before tying in the second on a score by Steve Boss.

They were Uri Malmilampi of Betar Jerusalem and Doron Robinson of Maccabi Petah Tikva, who each scored 14 goals. Malmilampi notched two goals Saturday in Betar's 5-2 home win over Maccabi Sha'arayim, and Robinson got his team's winner in the 1-0 victory over Shimshon.

But both these players were outdone by Benny Tal, who scored in four games for Maccabi Tel Aviv's 6-3 thrashing of Hapoel Petah Tikva, for whom Nir Levin scored all three goals.

Zohar Avichail of Maccabi Haifa finished the season on the 13 goal mark, followed by Motti Izwir and Nir Levin with 12 goals each.

Run for the money

LAKE TAHOE, Nevada (Reuters). — The winners of an all-American amateur 10 km street race earned \$10,000 a year each for 50 years.

Jeffrey Smith, 24, a biology student from Colorado won the men's part of the winners-take-all super run in 30 minutes and 52 seconds.

Mary Sperry, 25, a fitness instructor from Vermont, won the women's division in 37:58.

The winners will receive the money from a life insurance annuity paid for by a beer company.

"I guess the money will help me get through school," Smith said. "I'm a biology student at the University of Colorado."

Without from quality education in all states except New York collapsed in the event, which was open only to amateur runners. Any who had competed for a university within the last three years were not eligible.

"I really had no idea this would happen. I don't know how TV spread the word," Smith said. "I was told the women's event from early in the race."

He got that opportunity in the bottom of the ninth and came through with a two-out single, driving home the winning run and giving the New York Yankees a 7-6 victory over the Angels.

In other American League games, it was Texas 3, Boston 2; Baltimore 5, Seattle 4 in 10 innings; Toronto 3, Cleveland 6; Detroit 4, Oakland 1; Kansas City 7, Chicago 6; and Milwaukee 3, Minnesota 2.

In the National League it was Montreal 7, San Francisco 4; New York 5, San Diego 4; Los Angeles 6, Philadelphia 1; St. Louis 9, Atlanta 2; Cincinnati 4, Pittsburgh 2; and Chicago 4, Houston 3.

FRANCE 1, Sweden 1. Andrei Gornov of Ecuador beat Henrik Sandstrom of Sweden 6-3-6-4 in the men's singles final of the Florence Grand Prix tennis tournament yesterday.

GOLF. — Lee Elder of the U.S., who led all the way, shot a final round one-under-par 71 to finish at 15-under-par and win the PGA Senior Tour's \$250,000 Coca-Cola Grand Slam Golf Championship.

MOTOR RACING. — Nigel Mansell of Britain driving a Williams won the British Formula One Grand Prix motor race yesterday.

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Mr. Trevor E. Chinn
President of the Joint Israel Appeal of Great Britain and Ireland,
and
Mr. Michael Levy
National Campaign Chairman, Joint Israel Appeal
and the participants in the visit of
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Margaret Thatcher, F.R.S. M.P.
The Prime Minister of the United Kingdom
of Great Britain and Northern Ireland
in her historic visit to the
British Project Renewal Community of Ashkelon.
We also congratulate
Mr. Gerald Ronson and his Family
on the cornerstone laying of
The Henry Ronson ORT School in Ashkelon,
in the presence of
The Right Honorable
Margaret Thatcher, F.R.S. M.P.
The Prime Minister of the United Kingdom
of Great Britain and Northern Ireland
and
Mr. Shimon Peres M.K.
The Prime Minister of the State of Israel
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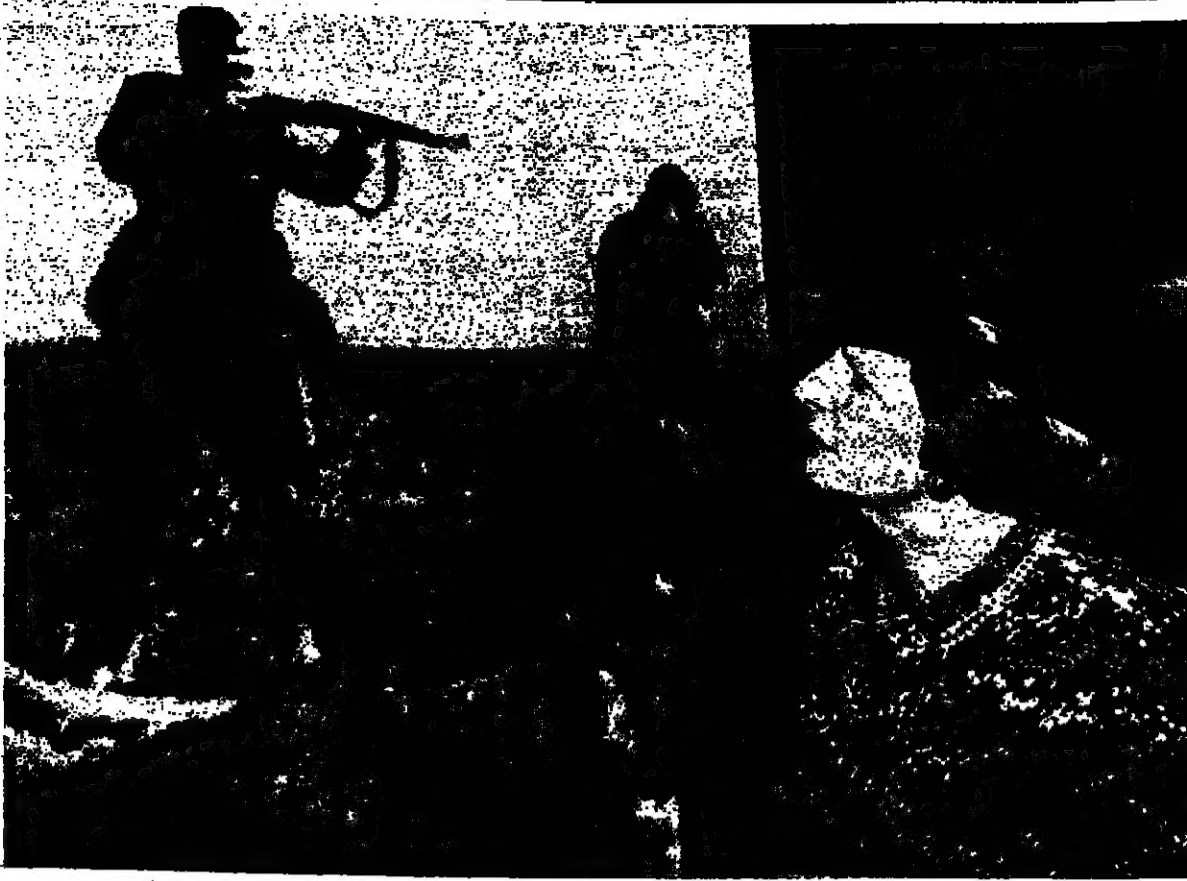
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Director, Research Department
Maurice and Gabriela Goldschleger Eye Institute
Prof. Michael Blumenthal
Director, Department of Ophthalmology
Maurice and Gabriela Goldschleger Eye Institute
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Mr. Maurice Goldschleger
Guest Lecture:
Charles D. Kellman, MD
New York Medical College
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J. Sourasky Hall, Chaim Sheba Medical Center, Tel Hashomer
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Prof. JONATHAN ADELMAN
Graduate School of International Studies, University of Denver
on
"Wars, Armies, Revolutions — Soviet and
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to be held on Thursday, May 29, 1986, at 4:30 p.m.
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British Prime Minister Margaret Thatcher studies a photo mural depicting Nazi atrocities as she visits Yad Vashem. (Rahamim Israeli)

Thatcher visits Yad Vashem

One must see to understand the enormity of this

Jerusalem Post Reporter
During her visit yesterday to the museum at Yad Vashem, British Prime Minister Margaret Thatcher stopped before a picture of a German soldier firing at point-blank range at a woman with a baby in her arms. "That and many others," she reflected, "if you don't see for yourself, you cannot fully understand the enormity of this."

Yad Vashem was the first formal stop of Thatcher's day in Jerusalem yesterday.

At the end of a half-hour conducted tour through the museum that documents Nazi genocide, Thatcher kindled the memorial flame in the hall where the names of the concentration camps are etched into the stark stone floor. She then laid a simple wreath of yellow and

white carnations on a stone slab. After kneeling for some 20 seconds, she rose and stood with bowed head as the traditional *Yizkor* memorial prayer was recited.

"Margaret Thatcher - The world must not forget," she wrote in big, bold script in the visitors' book.

It was a sentiment she repeated to reporters afterwards, declaring: "Everyone should come here, so that they never forget. I'm not sure the new generation realizes exactly what we were fighting against."

Asked about her feelings after touring the museum and standing in the Memorial Hall, she replied: "Really too deep to express in words."

She acknowledged that she had herself not been fully aware that the Nazi death machine was so efficient

that it enabled the murder of 120,000 Jews every day, and that, had the war lasted a year longer, perhaps the whole of European Jewry - 11,000,000 people - would have been killed.

During her tour she listened attentively to the explanations by Reuven Dafni, vice-chairman of Yad Vashem, of aspects of the extermination programme.

She offered a few comments and questions of her own, but was obviously deeply moved. At one stage, she mused softly when confronted by gruesome scenes from one of the extermination camps. "How can you come to terms with it? How can you?"

Dafni remarked that the Allies had been approached during the war about the possibility of bombing the

crematoria in a bid to interrupt the slaughter. Thatcher observed quietly, "We did not know then what we know now."

Prior to entering the museum, she stopped in front of the giant sculpture commemorating the Warsaw Ghetto uprising. Earlier, she walked through the Avenue of the Righteous Gentiles, which pays homage to almost 6,000 non-Jews who risked their lives to save Jews from the Nazis. Dafni noted that one of the trees had been planted in tribute to a Briton, Charles Coward. A PoW, he had been transferred as punishment by the Germans to Auschwitz. There, he saved the lives of hundreds by bribing guards to take the bodies of people already killed, in place of those about to go into the gas chambers.

It's only the young who die in a war

By BERNARD JOSEPHS
Jerusalem Post Reporter

British Prime Minister Margaret Thatcher made a pledge for peace yesterday when she visited the British war cemetery on Jerusalem's Mount Scopus.

Surveying the rows of graves where more than 2,500 soldiers - most of whom were under 20 when they died - lie buried, she said: "The tragedy is that in war it is the young people who die. That is why we must take every possible step to ensure that war does not happen again."

The cemetery, built in 1917, contains graves of British, Australian, South African and New Zealand troops who died during the World War I campaign against the Turks.

Until the reunification of Jerusalem in 1967, the cemetery was a neglected mass of barbed wire and rubble. The armistice arrangements between Israel and Jordan after 1948 made no provision for the British War Graves Commission to have access to the site. Today it stands

restored, with neat rows of headstones separated by lawns and gardens.

After placing a wreath of red poppies on the memorial, Thatcher paid tribute to the maintenance staff of the cemetery and said: "I came to visit this place because I want every family who lost a son to know that he will be forever honoured."

Among those watching the ceremony were several bemedalled veterans of the British army, including John Ferman, chairman of the Israel branch of the Royal British Legion and the Israel and British Commonwealth Association.

Ferman, who as a British officer in World War II, won the Military Cross for his exploits, escaping from German POW camps, and who then fought in the Hagana, said: "It is a proud moment to see a British prime minister visiting here."

Monday's regular features *Randallia* and *Purs*, fins and feathers will appear Thursday.



Col. Ronald Cromb, British Embassy military attache, accompanies Prime Minister Thatcher at the British war cemetery. (Andre Brutman)



British Prime Minister Margaret Thatcher receives a warm welcome from pupils of the Ort Technical College at Givat Ram yesterday. (Rahamim Israeli)



Margaret Thatcher and her husband Denis share a convivial moment with Mayor Teddy Kollek yesterday in Jerusalem. (Rahamim Israeli)

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Waldheim's biography: Silence on wartime experience

Background on Waldheim

F.d.B.
Wintbauer
Oberleutnant

"I was wounded in the leg by a grenade splinter. It was not a serious wound, but in the days before other

AND NOW to the way Walheim describes his life in the chapter called "Survival Course." The following are mostly selected direct quotes – although no quotation marks are used – plus some condensations and paraphrases, all based on his own text.

My father wanted me to study medicine, but I developed my own firm preference for the law. I attended the Consular Academy, a remarkable institution, founded in the reign of Maria Theresa. It only had about 40 students, but it had enjoyed an international reputation

MY FATHER was arrested a few days after the annexation. I came

I was serving in Reconnaissance Section 45 of the Upper Austria Division. In the spring of 1941 we were ordered to the eastern front. Serving in the German army was hard to bear, but it was almost relief to get away from the strain and suspicions that surrounded us at home.

'Austrians won't let go of the lie'

Now, it is not only the presidential candidate, "who was never anywhere and never did anything," whose past is catching up with him. The long-repressed past is suddenly coming to the fore for all Austrians.

Austrian elder statesman and former chancellor Bruno Kreisky, Jew, delighted his Viennese when he termed the Jews "Ein mieses Volk," an unpleasant people. He gave succor to his countrymen's desire to do away with the past when he appointed half a dozen ex-Nazis, including one former SS man, to his cabinet.

UN. On the other hand, the magazine
muses, it is inconceivable that the
secret services of the two superpo-
wers did not investigate his past.
According to *Spiegel*, only two se-
ret services were sure to have the pic-
ture — those of Yugoslavia and the
Soviet Union:

The Soviet Union definitely knew about Waldheim's past, military historian Janina Fiekalkiewicz quoted as saying, and they could relied on to exploit this knowledge against a man as ambitious as Waldheim. Kurt Waldheim owes the 1971 election as head of the UN to the Russians.

IN AN interview with three *Spiegel* editors, Waldheim asks why all the questions about his past were raised during his first effort in 1986 to be elected Austrian president when he became UN secretary-general the next year. "Could it be because my political opponents perceive that this time I have a real chance of becoming my country's president?" he asks.

In the same interview, he mentions that while serving in his German army unit he took part in the occupation of the Sudetenland and in the campaign against France during the summer of 1940. These facts were not publicly known before.

STATE AND RELIGION

★ The Liberal Center regards Israel's religious tradition as the spiritual heritage of the entire Jewish people and not as the exclusive preserve of any one group or institution.

- ★ The Liberal Center regards the Jewish people as the exclusive object of its anti-Zionist propaganda.
- ★ The increasingly aggressive nature of the anti-Zionist religious groupings, characterized by physical violence and breaches of the law, the growing tendency towards extremism within the rabbinical establishment, manifestations of racism, all of these antagonize the majority of the public and are liable to lead to polarisation and to endanger national unity.

★ The politisation of religion is debasing and alienating many from the Jewish tradition.

- ★ The Liberal Center will:
 - a. Oppose all legislation of a religiously coercive character;
 - b. Insist on the withdrawal of all support for those yeshivot whose students evade their obligation to serve in the defence of their country;
 - c. Demand that hooliganism and violence committed in the name of religion be dealt with in accordance with the law.

★ The Liberal Center regards all religious expressions of the Jewish tradition and will demand that such expressions be strengthened. Only thus will unity be strengthened.

★ The Liberal Center will take the initiative to change the present legal system:

- a. rabbis of all religious trends be allowed to perform marriages of couples recognised as eligible for marriage by the Rabbinical courts;
- b. That legislation be enacted authorising the marriage of couples found ineligible for marriage on grounds of Cohen-and-divorcee and of Halitza by a court set up for this purpose, thus putting to an end the degrading practice of "Cyprus marriages".

★ The Liberal Center declares that only in the variety of opinion of avoidance of religious or anti-religious dogma can a meaningful dialogue be developed that will lead to the enrichment of our society.

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Annual International Conference:

The Future of the Nation State in the Middle East
In memory of Eliazar Beorl
June 2, 3, 4, 1986

PROGRAMME

Monday, June 2, 1986

Morning 9:00 a.m. - 1:00 p.m.; Chairman: Mr. Bernard Cherrick
memorial to Eliazar Beorl

Prof. Eli Kedourie: A THEORETICAL OVERVIEW
Prof. Gabriel Ben-Dor: THE STABILITY OF THE NATION-STATE
IN THE MIDDLE-EAST
Prof. Emeritus Sievan: THE FUTURE OF THE ARAB NATION-STATE
AND THE ISLAMIC CHALLENGE

Afternoon 3:30 - 6:00 p.m.; Chairman: Professor Nissem Oren
Prof. Ged Libar: THE ARAB NATION-STATE: THE BALANCE OF
POPULATION AND RESOURCES
Prof. Meir Haper: THE STATE, MILITARY AND DEMOCRACY IN TURKEY
Prof. Mordechai Shari: SAUDI ARABIA: THE CHOICE BETWEEN
MOSLEM, ARAB AND SAUDI ARABIAN IDENTITY

Tuesday, June 3, 1986

Morning: 9:00 a.m. - 1:00 p.m.; Chairman: Prof. Zvi Schiffman
Dr. Ametzia Baram: NATIONAL INTEGRATION AND SOCIAL
CHARACTER IN IRAQ UNDER THE BA'ATH
Prof. Avi Ravitzki: THE CONTEMPORARY RELIGIOUS DEBATE ON THE
JEWISH STATE
Prof. Shlomo Avineri: CHANGES IN THE SELF PERCEPTION OF ISRAEL
AS A NATION-STATE

Afternoon 3:30 - 6:30 p.m.; Chairman: Prof. Y. Harkabi
Mr. Matti Steinberg: THE PALESTINIAN ISSUE
Dr. Helga Baumgarten: PLO LEGITIMACY AND THE PROBLEM OF A
PALESTINIAN STATE

Wednesday, June 4, 1986

Morning 9:00 a.m. - 1:00 p.m.; Chairman: Dr. Gabi Shaffer
Prof. Leonard Binder: THE COLLAPSE OF THE NATION-STATE IN
LEBANON
Prof. Bazar Rabinowitz: THE LEBANESE STATE: PRESENT AND
FUTURE PERSPECTIVES
Prof. Yehoshafat Harkabi: THE FUTURE OF THE NATION-STATE IN THE
MIDDLE-EAST: A CONCLUDING EVALUATION

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As Far A
As Ever

JUST as a former head of the consular section of the American embassy in Peking was concerned by the possibility of a change in their relationship with the Chinese government, so the American people are concerned by the possibility of a change in the status of the American people in China. The American people are concerned by the possibility of a change in the status of the American people in China. The American people are concerned by the possibility of a change in the status of the American people in China.

Nicaragua Weighs the Costs and Benefits of Compliance

The Clock Is Ticking on the Contadora Treaty

By JAMES LEMOYNE

THE presidents of five Central American nations held a rare meeting this weekend in Guatemala to seek consensus on the Contadora regional peace treaty being considered by their nations: Nicaragua, El Salvador, Honduras, Costa Rica and Guatemala. And as the June 6 deadline for signing the treaty approached, ideological hard-liners in both Washington and Nicaragua were already complaining of a sellout. Such complaints are an indication of the obstacles to reaching an accord that would replace threats with concessions.

After three years of negotiations, the Contadora treaty has taken on new life chiefly because no government wants to be the one to abandon it in favor of war. The complicated accord, named after the Panamanian island where Mexico, Panama, Venezuela and Colombia started the talks, requires democratic elections in Central America and reconciliation between governments and guerrilla groups, as well as a reduction in armaments and the influence of foreign military advisers.

But in current form the treaty lacks teeth because it has no sanctions for noncompliance and the key provision on regional disarmament has yet to be negotiated. That problem is not likely to go away, since Nicaragua has refused to negotiate a reduction in military forces until the United States pledges to stop aiding Nicaraguan anti-government guerrillas, known as contras, now waging war against the Managua Government.

Expressing the Sandinistas' resistance, Defense Minister Humberto Ortega Saavedra charged in a recent news conference that the Contadora accord was being used to isolate Nicaragua. He declared that the Sandinistas will refuse to be bound by military limits set by other states.

If Nicaragua maintains that position it will find itself standing alone at the June 6 deadline. All the other Central American countries have said they will sign the accord. The date was set in a last-ditch effort to push a settlement by the eight Latin American countries that have served as sponsors to the negotiations.

But the possibility remains that Nicaragua will decide to sign the Contadora treaty at the last minute, a prospect that concerns some members of the Reagan Administration. If Nicaragua signs, President Reagan could have an extremely hard time persuading Congress to approve his request for renewed military aid to the anti-Sandinista guerrillas operating out of Honduras.

The Contadora treaty rules out such outside assistance to rebel forces in the region, taking away the President's favorite form of pres-

sure on Managua.

An indication of the concern in Washington surfaced last week in the form of a Defense Department study. The study argued that if the Contadora treaty was signed, the Sandinistas would cheat on its military provisions. Then Mr. Reagan would be forced to invade Nicaragua with American troops to prevent a Sandinista military buildup threatening the region. A State Department spokesman said the study had no standing as policy. But the Administration appeared to remain more divided than ever on whether the United States should try to learn to live with the Sandinistas or find a way to take away their power. The Administration's position seemed further complicated when Representative Jack F. Kemp, an influential conservative Republican and potential Presidential candidate, called for the dismissal of Philip C. Habib as Mr. Reagan's special envoy for Central America. Mr. Habib has said the United States, although not a signatory, would abide by the treaty's terms.

"Everyone defines the problem in Central America in the same way," said one foreign diplomat here who is critical of American policy. "It's a matter of degree — whether they want to get rid of the Sandinistas by using force or want to negotiate a way to be partially rid of them."

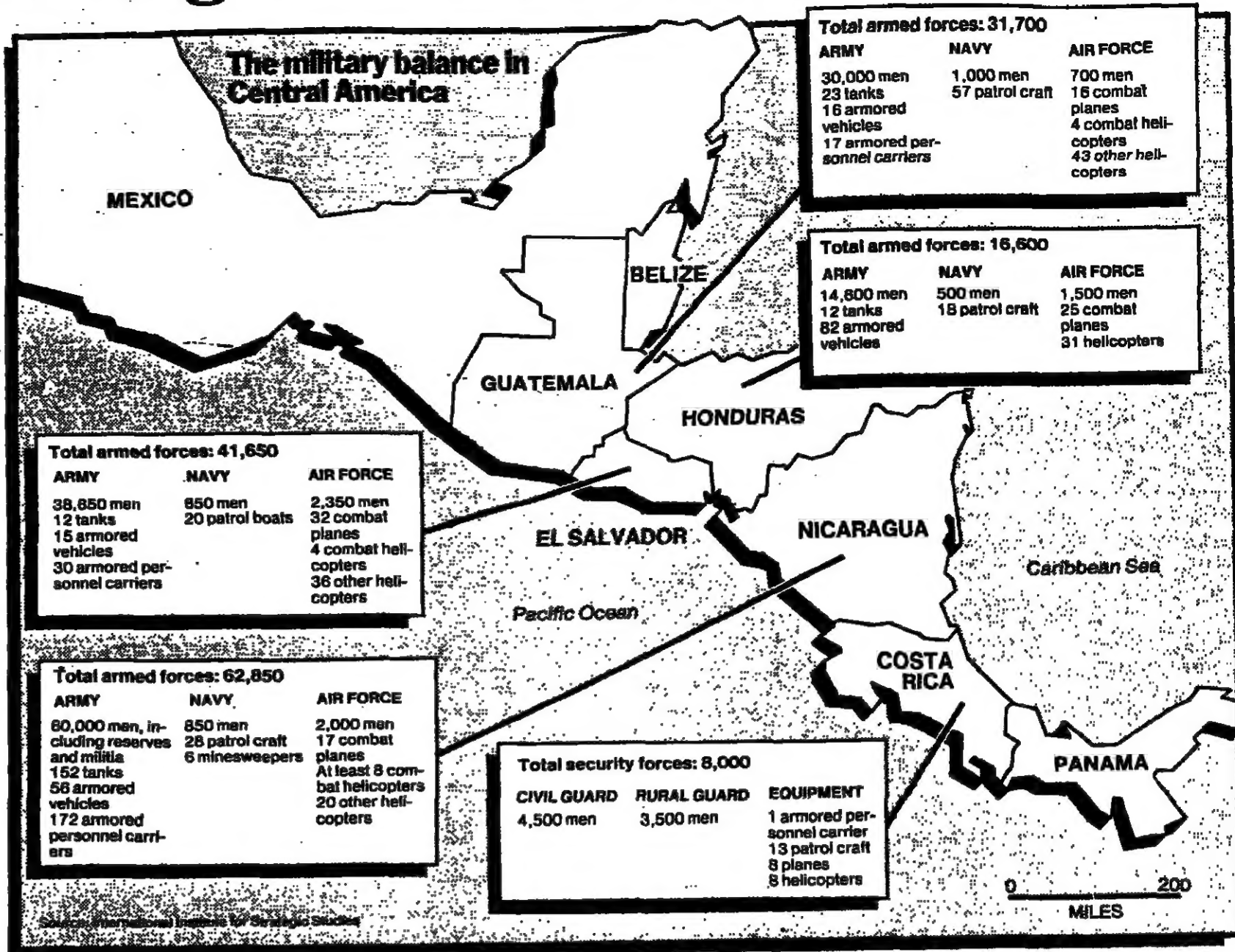
Effect on the Revolution

It is not surprising that there is similar ambivalence toward the treaty from ideological purists in Managua. It offers the Sandinistas the chance to secure the revolution from outside attack. But it will also, if applied, severely limit the revolution's reach.

The Sandinista army and militia of more than 60,000 would probably have to be drastically cut. Most Cuban advisers would have to go home. Censorship and harassment of the opposition press, the Roman Catholic Church and political parties would have to end. Negotiations with the American-backed contras would be called for.

One view among Central American government officials and foreign diplomats here is that Nicaragua will sign the treaty to buy time, but will not comply with it. Or the Sandinistas are just as capable of refusing to sign for the reason that limiting the scope of the Sandinista revolution might cost too much politically. But if they refuse to sign, President Reagan would be more likely to seek Congressional approval for aid to the rebels.

Nicaragua is now virtually without friends in Central America; the Reagan Administration is encouraging even greater hostility. And the Sandinistas seem to feel that how they handle the Contadora treaty is likely to be important in the ultimate success or failure of their revolution.



Anti-Sandinista rebels firing an anti-aircraft gun; a Soviet-supplied MI-24 helicopter in Nicaragua.

A Hijacking Provides a Lesson in Politics

China and Taiwan Are As Far Apart As Ever

By JOHN F. BURNS

JUST as a family feud can bring out the worst in all concerned, so China and Taiwan displayed some of their less admirable characteristics last week as they struggled over the disposition of the Taiwanese jumbo jet diverted to the mainland May 3.

As the week ended, the Communists handed the aircraft and two of its three crewmen back to China Airlines, Taiwan's flag carrier, in Hong Kong. The third crewman, Capt. Wang Hsi-chueh, remained in China, the fate he apparently chose when he landed in Canton during a scheduled cargo run from Bangkok to Hong Kong.

Returning to Taipei, the co-pilot, Tung Kung-shin, and flight engineer, Chiu Ming-chiu, described a fight in the cockpit during the descent toward Hong Kong. They said Captain Wang chained and handcuffed the co-pilot to his seat and threatened him with an ax unless the others agreed to land in Canton.

To some skeptics in the Western community in Peking, the saga had the earmarks of those melodramatic old Chinese operas whose villains were irredeemable blackguards.

If the captain wanted to be reunited with his aging father and was tired of corruption in Taiwan, as he insisted at a Peking news conference, why did he not contact mainland representatives in Hong Kong, as many other Taiwanese have done?

And was it credible that a 56-year-old captain could overpower two others in an aircraft cockpit, so terrorizing them that they were helpless to prevent an action deemed tantamount to treason in Taiwan?

Was Captain Wang, who once flew U-2 spy planes over the mainland, the kind of man to initiate such a drama unless he had been compromised beforehand?

But if such questions implied that there might have been more to the incident than either side wished to let on, they also missed some larger points that offered little credit to either side.

In releasing the aircraft in Peking, the Civil Aviation Administration of China presented itself in an avuncular guise, affable and eager to do the right thing. Its Hong Kong representatives sanctimoniously stressed that in

the interest of "friendship" the two returning crew members would not be charged for their meals in Canton. The spokesman evidently hoped it would pass unnoticed that the crewmen had been held against their will, in effect as hostages, while the two airlines maneuvered to score political points.

In the end, the mainland authorities did all that the guardians of international aviation could have asked. But in delaying the return of the aircraft and crew for nearly three weeks, and attempting to oblige the Taiwan airline to send a recovery crew to Canton, the Communists prejudiced the posture of reasonableness they finally adopted.

This suggested a confusion of objectives between those who wanted to put Taiwan over a barrel and those who believed that the best that could come of the affair would be the good will to be generated in Taiwan by resolving the matter in the most accommodating way.

In the outcome, Taiwan escaped being forced into the knowhow involved in a mission to Canton. But by attempting to secure it, Peking once more demonstrated the coercive reflexes that it might better have kept out of sight.

Indirect Contacts

On the other side, President Chiang Ching-kuo of Taiwan and his associates hardly distinguished themselves before their own people or the world. No one who visits Taiwan and talks to its senior officials can escape the sense of pervasive mustiness in attitudes toward the mainland.

At a time when Deng Xiaoping and his fellow leaders in Peking have repeatedly put forward proposals designed to initiate a dialogue, the rulers in Taipei have stuck rigidly to their "three no's" policy — no contact, no negotiation, no compromise. Even the most innocuous communications with relatives on the mainland by telephone or letter are forbidden.

In fact, thousands of Taiwanese travel to the mainland each year through Hong Kong, collecting travel documents in the British colony. Many Taiwan businessmen have developed trading ties with the Communists, also indirectly through Hong Kong.

Neither activity has undermined Taiwan's security, and the Taipei authorities have made no such claim.

What is left is a policy that speaks for the gerontocracy that holds all effective power in Taipei, men in their 70's and 80's (Chiang Ching-kuo is 76) who are steeped in the bitterness of the now-distant civil war.

To them, direct communication with the Communists would imply something that Mr. Chiang and his father, Generalissimo Chiang Kai-shek, never have conceded: that the civil war was lost and that talk of recovering the mainland is a sham.

Some analysts, notably in Hong Kong, described the agreement to allow China Airlines to negotiate directly with its Communist counterpart for the return of the plane as a "historic" breach of the no-contact policy.

But even opposition figures in Taipei who have been pushing for a more flexible attitude toward the mainland were unlikely to see the largely formulaic exchanges in Hong Kong as a basis on which to proceed to the larger, and in all likelihood intractable, problems that separate the two sides.

Israel Wants Shultz to Get Things Rolling

Diplomatic Doldrums in The Mideast



Abraham D. Sofaer (right), State Department legal adviser, with Nabil al-Arabi, head of Egyptian delegation to the Taba talks, in Herzliya, Israel, last week.

By DAVID K. SHIFLER

THESE days in Washington, the Middle East peace process is being discussed largely in the past tense. Officials, diplomats, Middle Eastern visitors and academic specialists have been conducting post-mortems on the failed effort, undertaken from February 1985 to February 1986, to launch negotiations between Israel and a Jordanian-Palestinian delegation on the future of the Israeli-occupied West Bank and Gaza Strip. Each party blames another, of course, for missing the "window of opportunity" that followed the fragmentation of the Palestine Liberation Organization after Israel's 1982 invasion of Lebanon. The window slammed shut in February, when talks failed between King Hussein of Jordan and Yasser Arafat, the P.L.O. leader. Since then, United States diplomatic activity has been in something of a lull.

Last week, Israel's Prime Minister, Shimon Peres, sent a special envoy, Ezer Weizman, to Washington to try to stir Secretary of State George P. Shultz's interest in visiting the Middle East for a fresh attempt at reviving the peace process. It seemed an act of desperation for Mr. Peres, his last chance to get something going before

next fall, when the coalition agreement that brought him to power in 1984 requires him to relinquish his post to his governing partner, Foreign Minister Yitzhak Shamir, who opposes any dilution of Israeli sovereignty over the occupied territories. But Mr. Peres's plea to Secretary Shultz apparently contained no new ideas for breaking the impasse. And Mr. Shultz, bitter over the collapse of a 1983 Israeli-Lebanese security accord that he brokered personally, has shown no appetite since then for direct involvement in another risky venture. Instead, the Administration's recent diplomacy has been left to middle-level officials without the high-ranking activism that marked President Jimmy Carter's success in helping Israel and Egypt toward their 1979 peace treaty.

Demand for Statehood

This new American reluctance relies on the argument that the Arabs and Israelis must come to negotiations themselves, that their repeated appeals for Washington's mediation simply mask their profound disagreements, especially on the central issue: the Palestinians' demand for statehood. At times, the American absence also induces the parties to do their own exploration, as President Hosni Mubarak of Egypt demonstrated by approaching King Hussein recently with a suggestion for an Egyptian-sponsored Palestinian legislative council in the Gaza Strip as a step toward autonomy there.

But the low-key approach also has its costs, for the Middle East is not a place that improves with neglect. Like an unruly garden, it deteriorates rapidly unless it is weeded and pruned. The United States agreed to help settle a minor Israel-Egypt border dispute over the Taba area, as, inevitably, Israelis and moderate Arabs look to the United States for mediation, as the only outside power that has good relations on both sides. "For countries like Jordan and Egypt, who have counted on American initiative, the relatively passive stance sends a signal of disinterest," said William B. Quandt, a Middle East specialist at the Brookings Institution who advised President Carter. "For someone like Hussein, it makes him retreat from center stage."

King Hussein was reported to have drawn broad conclusions about a lack of American will from President Reagan's failure to press hard last fall for Congressional approval of an arms sale to Jordan. The King is described by aides as angrily disappointed after having thought that he had won the President's commitment for a vigorous effort as a crucial sign of White House mettle in confronting Israel and its supporters, who opposed the sale. In February, the Jordanian leader retreated after a year-long effort to bring Mr. Arafat into an endorsement of talks with Israel, charging that the P.L.O. leadership had agreed and then reneged on an endorsement of Security Council resolutions 242 and 338, considered as tantamount to recognizing Israel's right to exist.

The great omission from all these efforts has been Syria. The Government of President Hafez al-Assad is striving for military parity with Israel, is building new fortifications in southern Lebanon and is believed to have initiated terrorist attacks on Israelis and Americans. Syria is Israel's most potent enemy, and yet the United States has no leverage there. If outside influence exists, it lies in Moscow, a source of power to which neither the United States nor Israel wishes to turn.

The Nation

The Economy Looks Rosy, Relatively

Last week's report of 3.7 percent economic growth in the first three months of the year — half a percentage point more than earlier estimated — was distinctly more positive than the dismal record of the previous quarter. But it was full of the usual anomalies, and as usual private analysts were more cautious in their interpretations than was the White House.

Larry Speakes, President Reagan's spokesman, said the statistics on the gross national product "reflect the sustained strength of the American economy." But economists noted some discouraging signs, especially a sharp rise in business inventories, which could hold down production in the current quarter. All in all, however, there was agreement that the nation is working its way out of the near-recession of the end of 1985, when the economy grew only seven-tenths of 1 percent.

Most important, many analysts said, last week's report showed that the growth of the trade deficit appeared to have been arrested. Though a \$10.5 billion decline in imports, to \$130.3 billion at an annual rate, was attributed principally to the drop in oil imports, exports rose sharply by 10.6 percent. The effects of the cheaper dollar, cheaper oil and lower interest rates also showed in the inflation rate. The Consumer Price Index for April fell three-tenths of 1 percent, putting inflation at the retail level in the 4 percent range for the year.

The relatively rosy outlook for both output and inflation quelled most speculation about the Federal Reserve Board's intentions. With the economy looking more solid, analysts said, the Fed can concentrate on stabilizing the dollar, which a further decline in interest rates would not help. As the minutes of the April meeting of the central bank's main

policy-making arm, also released last week, showed, the governors were already worrying then that the financial markets had come to expect more easing of monetary policy than they were prepared to deliver.

Reagan: A Hand For the Hungry

Once again, President Reagan made it clear last week that his main answer to hunger is charity. America's hungry, Mr. Reagan said, suffered not from a lack of aid but from a lack of knowledge about where to get it. He told a group of high school students that charitable contributions had increased but that not everyone knew "what things are available."

The response was swift and sharp. Critics, accusing Mr. Reagan of naiveté and worse, pointed out that the number of people living in poverty — and with it the number going hungry — had risen with the Administration's cuts in assistance programs. The next day, Administration officials said that Mr. Reagan and his wife, Nancy, would join the human chain of today's "Hands Across America" project to raise money for the hungry and homeless. It was a change of plans — the Reagan initially rejected the idea for security reasons — but the White House denied that the President's decision was prompted by criticism.

Mr. Reagan's comments, delivered in response to questions from students at a White House event, represented one of the more expansive explanations of his fiscal goals since the early days of his presidency, when he was frequently taken to task for increasing military spending while cutting domestic programs. When asked about the basis for Mr. Reagan's remarks on hunger, his chief spokesman, Larry Speakes, said, "That is his view."

Caroline Rand Herron and Michael Wright

A Landmark Health-Care Bill for the Indigent



Treating an Outbreak of Patient Dumping in Texas

By ROBERT REINHOLD

HOUSTON — TEXAS is renowned for its hospitality and its entrepreneurial spirit, but not for the munificence of its programs to help the down and out. Yet Texas is a pioneer among the states in insuring that the indigent are not treated shabbily when they get sick. Strict guidelines — the first of their kind in the nation — regulate the transfer of patients from one hospital to another. The new rules, which went into effect April 1, are meant to cut down on what critics call the "dumping" of patients on public hospitals by private for-profit and voluntary non-profit hospitals.

Patient dumping, many analysts say, is an unintended though predictable result of the concerted national effort to rein in the spiraling cost of medical care. Prospective payment, the new system of reimbursing hospitals under Medicare, the Federal medical insurance for the elderly, the rapid growth of investor-owned hospitals, and tighter cost controls by private medical insurers

have all combined to make hospital care more competitive. There is little margin left for hospitals to pay for care of the indigent, and some critics say that many medical decisions — such as whether to keep a patient or discharge him — are now often really financial ones.

The new Texas rules may deter the life-threatening transfer of unsustained emergency patients for economic reasons. But no one here or nationally sees any quick remedy for the larger problem of who should pay for the care of the estimated 20 million to 40 million people — more than 1 in 10 Americans — who have neither insurance nor means to pay their own way when sick.

Dumping has been documented in New York, Massachusetts, Illinois, Florida and many other states. The issue reached a crisis first in Texas last year. For one thing, the income level at which a patient qualifies for Medicaid is lower here than in any other state except Mississippi. For another, thousands have lost their jobs — and their medical insurance — because of the oil bust and other economic woes. Finally, private for-profit companies own or manage 210, or about a third, of the hospitals in

Texas, more than in any other state.

The leaders of this growing proprietary sector say they encourage uninsured patients to transfer to public hospitals for the good of both the hospital and the patient, but deny they move such patients until they are stable. However, Dr. Ron J. Anderson, president of Parkland Memorial Hospital, the Dallas County public institution, has charged that his hospital has received numerous indigent patients from all over North Texas, some with severe burns or in labor, from proprietary, voluntary and even county-owned hospitals.

Last year, as a result of pressure from Dr. Anderson, who also serves as chairman of the state board of health, from the Texas Medical Association and from a powerful coalition of Hispanic and black groups, the Legislature passed a landmark indigent health-care bill. The law requires all 254 counties to provide for their own medically indigent, with \$70 million in state help.

The new Texas rules establish minimum standards for emergency medical care and require the receiving hospital's formal approval of the transfer, safe means of transportation and the patient's informed consent. Recognizing that many transfers are medically or economically beneficial to the patient, the rules also expedite such moves. Hospitals that fail to comply risk losing their licenses, and civil penalties of \$1,000 daily may be levied on both hospital and doctor.

Following a Leader

More than 20 other states are considering following the Texas example. Moreover, Congress included an antidumping provision in the Omnibus Budget Reconciliation Act for the 1986 fiscal year. The Federal rule provides civil penalties of up to \$25,000 for each occurrence of dumping.

Response to the Texas rules has been measured. Richard Bettia, executive director of the Texas Hospital Association, which represents all types of hospitals, calls them a "good set of rules," although requirements for special vehicles and physician consultation might put undue burden on small rural hospitals. James Dalton, North Texas regional director for one of the major proprietary chains, the Hospital Corporation of America, said they only made formal the chain's existing policies.

But the larger question will not go away. A recent study by Cook County Hospital in Chicago found that of 467 patients transferred from the emergency departments of other hospitals to Cook, 80 percent were black or Hispanic, 81 percent were unemployed and nearly one quarter were in unstable condition when received.

Between 1980 and 1984, the American Hospital Association reports, annual unreimbursed hospital care more than doubled to \$5.7 billion, or 4.6 percent of total hospital expenses, between 1980 and 1984. Meanwhile, Federal cuts mean that Medicaid, the main source of medical care for the poor, covered less than 40 percent of the impoverished in 1984, as against almost 70 percent when the program began. "The real problem," said Clay Mickel, spokesman for the association, "is that the Government has not acknowledged that caring for the indigent is its responsibility."

Casey Called for a Prosecution Last Week

Giving the Espionage Laws a New Look

By STEPHEN ENGELBERG

WASHINGTON — THE issue of the hour was spies and their relentless assault on the national defense. Every day, it seemed, came fresh revelations about the hemorrhage of this country's most sensitive secrets. America was in a panic about threats from abroad.

That was in 1950, the year Congress rewrote the nation's espionage laws. Three-and-a-half decades later, with the country once again obsessed with spies, one of those statutes has emerged as a central element in a confrontation between the press and Government. The law sets a maximum sentence of 10 years in jail and a \$10,000 fine for anyone who publishes classified information obtained through intercepted communications. It also covers similar secret information on American codes or techniques for intercepting communications.

William J. Casey, the Director of Central Intelligence, last week asked the Justice Department to consider bringing the first prosecution ever under the law against NBC News for a story it aired on the damage caused by Ronald W. Pelton, a former employee of the National Security Agency who is on trial for espionage. The network broadcast a one-sentence description of an eavesdropping project involving subma-

rines that he is alleged to have disclosed to the Soviet Union.

After several weeks of negotiations with the White House, The Washington Post last week published a story about Mr. Pelton, but without many details officials had claimed would be potentially damaging to national security. A spokesman for the C.I.A. said a recommendation that the newspaper be prosecuted was under consideration.

Speaking to the American Jewish Committee, Mr. Casey asserted there had been "widespread violation" of the 1950 statute in recent months and said this was hampering American efforts to ward off terrorism. But thus far, the Justice Department has been cool to Mr. Casey's suggestions for prosecuting the press. "Don't forget, we pride ourselves on being an independent branch of the Government over here," stressed one Department official. Meanwhile, the National Security Council is said to have begun a broad study to determine if new measures to prevent disclosures of sensitive information are needed.

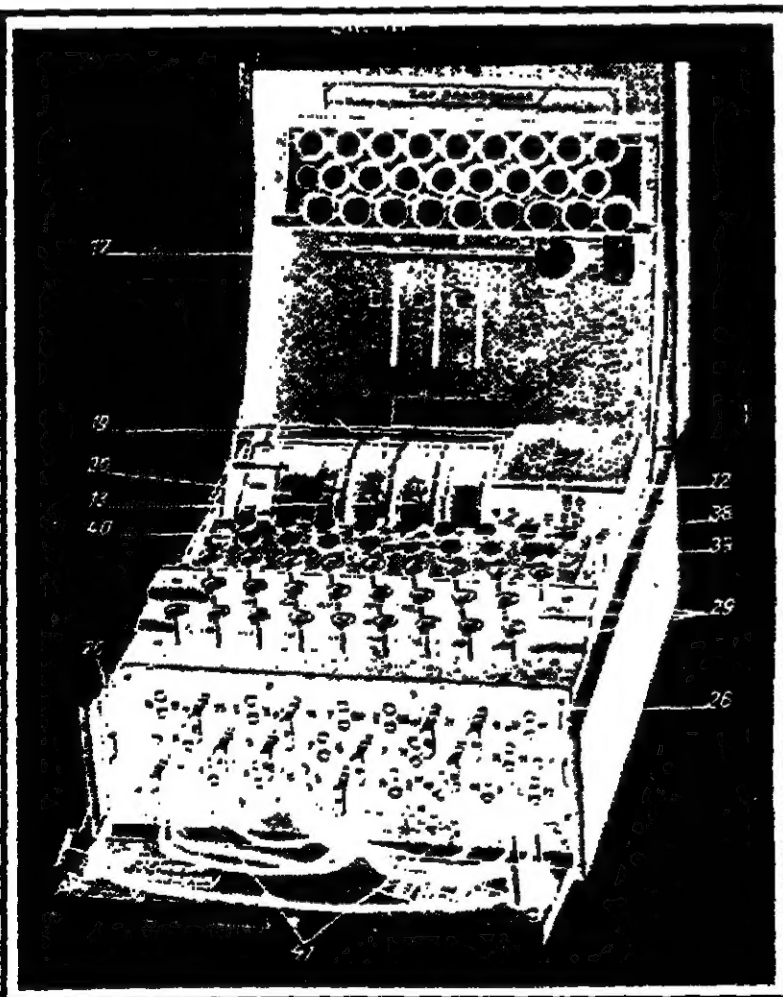
The 1950 restrictions on communications intelligence were enacted in the wake of a growing awareness of the Government's abilities to intercept transmissions and break codes — and the need to keep those abilities secret. A 1946 Congressional assessment of the sneak attack on Pearl Harbor, which detailed American capabilities for reading Japanese codes

before and during the war, was frequently cited in the debate over how best to protect communications intelligence. Further proof of the importance of eavesdropping on an enemy emerged years later, when it was revealed the allies had cracked the mysteries of Nazi Germany's Enigma encoding machine.

The report on Pearl Harbor concluded with a recommendation that the unauthorized publication of any classified material should be regarded as a crime. But Congress eventually decided instead to limit its law to what the House Judiciary Committee termed "a small degree of classified material, a category which is both vital and vulnerable to almost a unique degree."

Since then, the press has come to pay an increasing amount of attention to American foreign and defense policies. And until recently, Government officials had by and large been willing to live with a certain amount of disclosure of classified information as the price paid for discussion of such issues in a democracy.

Mr. Casey believes that, among other factors, international terrorism has fundamentally changed the equation. "If we are to protect our security as a nation and the safety of our citizens," he told the American Jewish Committee, "the law now on the books to protect a very narrow segment of information, that dealing with communications intelligence, must now be enforced."



The Enigma cipher machine, a coding device used by the Germans in World War II, which the allies cracked and exploited; Ronald W. Pelton, former National Security Agency employee.



David Press International

Walker Lives Up to His Star Billing

By KATHERINE BISHOP

SAN FRANCISCO — WHEN a verdict depends heavily on the testimony of a single witness, there comes a time when that witness goes on trial along with the defendant. A case in point: the espionage proceedings against Jerry A. Whitworth, which for the last few weeks temporarily became a trial of the Government's star witness, John A. Walker Jr.

Mr. Walker, who has acknowledged spying for 17 years and recruiting his son and older brother to steal military data that he sold to the Soviet Union, did not have a trial of his own. He pleaded guilty to espionage along with his son, Michael L. Walker, in Baltimore in October. His brother, Arthur J. Walker, did not take the stand at his own brief trial in which he was convicted in Norfolk, Va., in August.

Thus, John Walker's testimony at Mr. Whitworth's trial was more than the presentation of crucial evidence to bolster the prosecution's allegations that the defendant stole sensitive Navy cryptographic data and messages and passed them to Mr. Walker in exchange for \$332,000 over a 10-year period. It was also the first and only chance for the jury and the public to assess Mr.

Walker's truthfulness and, in the process, get a close-up look at America's First Family of Espionage.

The courtroom heard from a handful of Walkers: John, the seemingly unremorseful peddler of military secrets; Arthur, the mousy older brother who had financial problems; Michael, the son who stole to please his dad; Barbara Joy Crowley Walker, the former wife who finally blew the whistle; and Laura Walker Snyder, the daughter who served as the catalyst who moved her mother to action.

For a time prosecutors struggled to keep what they have characterized as the most important espionage case in the last 30 years from degenerating into a soap opera. Spectators were left with a host of titillating questions that nearly overshadowed the matter of Mr. Whitworth's guilt or innocence. Did John threaten to kill Laura's husband if he disclosed John's spying activities to authorities? Did John tell Barbara to become a prostitute to pay the family bills? Did Barbara have an affair with Arthur while she was still married to John?

For his part, John Walker stuck to his story that he originally recruited Mr. Whitworth to steal secrets when they served as Navy radiomen in 1974 in San Diego, after determining to his own satisfaction that the defendant "had larceny in his heart." But Mr. Walker also appeared to hurt the prosecution by insisting that he never

told any of his recruits, including Mr. Whitworth, that the stolen materials were destined for the Soviet Union.

Arthur Walker, a retired Navy officer, substantiated John Walker's story that he stole classified military data from the defense contractor for whom he worked and passed it to his brother. But on the topic of Mr. Whitworth, he could only say that John Walker told him that a person on the West Coast was also involved.

Michael Walker testified that his mother told him when he was 13 years old that his father was spying for the Soviet Union, but he did not believe her until years later, when John Walker recruited him. He told of a manipulative father who was pleased that his son "had the guts" to steal classified information from the aircraft carrier to which he was assigned.

His older sister, Laura Walker Snyder, testified about their father's unsuccessful attempts to enlist her as a spy while she was in the Army. Like her younger brother, she said she knew Mr. Whitworth but did not know if he was involved with her father's illegal activities.

Barbara Joy Crowley Walker said she told Mr. Whitworth in 1973 that she knew her husband was trying to recruit him as a spy. Three years later, she said, she reassured Mr. Whitworth that she would not turn her husband in just because they were about to file for divorce.



Jerry A. Whitworth

Donna-Lillian/Black Channel

General Electric's Amazing Money-Making Machine



Robert C. Wright,
president,
G.E. Credit
Corporation

G.E. Credit's Big Earnings

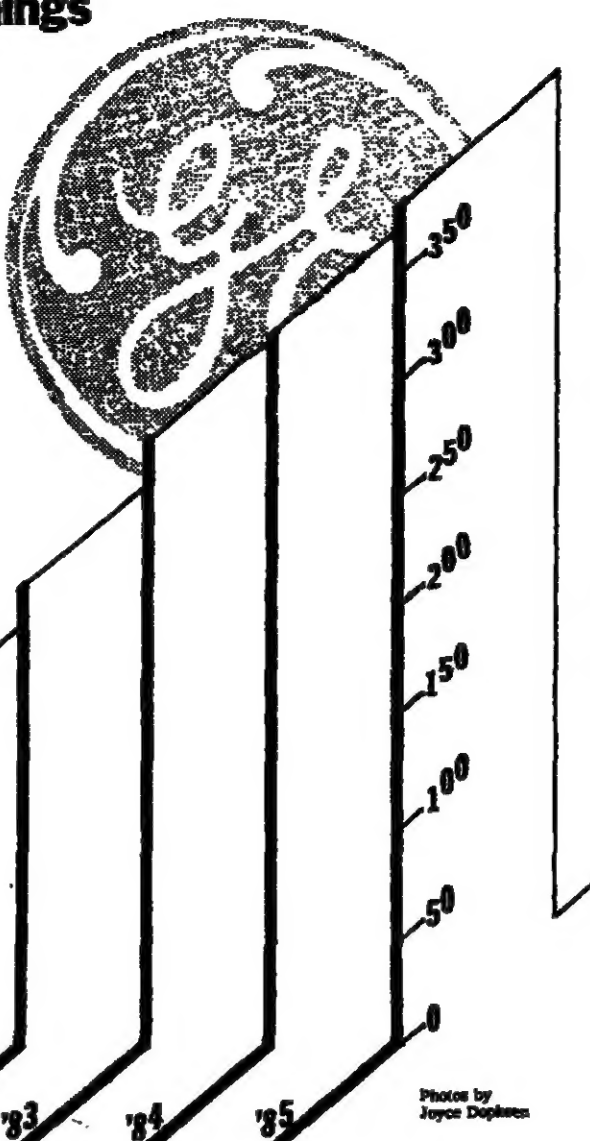
Net earnings in millions of dollars

Industry Leaders

Diversified-business finance companies ranked by 1985 return on average equity

G.E. Credit	21.5%
ITT Financial	19.4%
Associates Corporation	18.4%
Westinghouse Credit	15.7%
C.I.T. Financial	10.8%
Barclays American	8.7%
Commercial Credit	3.8%
Borg-Warner Acceptance	0.3%
Heller Financial	- 7.7%

Source: McCarthy, Crisanti & Maffei Inc.



Photos by
Joyce Dapkins

By ROBERT A. BENNETT

"We're not a bank," says Robert C. Wright, president of the General Electric Credit Corporation, with a note of disdain in his voice for banks. But perhaps the man protests too much. In the era of deregulation, G.E. Credit is emerging as a tough and innovative competitor for much more familiar giants of banking and finance such as Citicorp, Merrill Lynch and American Express. Consider its ingenuity:

• Finding a new market. Many ill Americans are getting hospital bills that exceed their health insurance coverage. For G.E. Credit, that means opportunity. Early this year, it began offering a credit line of up to \$5,000 to some hospital patients. The credit kicks in when a patient's insurance runs out. G.E. Credit says it expects to lead \$50 million to patients this year, charging about 18 percent annual interest.

• Securing a franchise. Among its many businesses, G.E. Credit finances leveraged buyouts. One was a \$6.5 million loan it wanted to make to a local bottler to buy the Dr. Pepper franchise in San Antonio. But the bottler lacked sufficient collateral in plant, trucks and machinery. Unwilling to give up, G.E. Credit decided that the Dr. Pepper franchise itself was the most valuable asset—an unprecedented approach. G.E. Credit won a novel concession from Dr. Pepper, an agreement to let the finance company take over the franchise if the loan goes bad. The deal established G.E. Credit as the leading financier of buyouts in the bottling business.

• Starting an oil company. In Texas, G.E. Credit drills for oil to salvage tens of millions of dollars in loans in finance drilling rigs. While most banks are writing off such loans and selling repossessed rigs at fire-sale prices, G.E. Credit has taken a different approach. It has set up a new company in Houston, the R.C. Chapman Drilling Company, that has taken over 27 rigs repossessed by G.E. Credit. Last Friday, four were even on contract, drilling for oil. Once the energy business rebounds, the rigs might be sold at far more attractive prices than they ever would draw at auction today.

G.E. Credit's eagerness to take on risky, high-yielding loans and to jump into management when a borrower gets into trouble—it even took over the Houston Astros for a while in the 1970's when the baseball team's owner defaulted on a loan—goes a long way to explain G.E. Credit's amazing profitability. Its return on equity is above 20 percent, greater than any other major finance company or bank in the nation. And its triple-A credit rating is matched only by J. P. Morgan & Company among financial institutions.

With \$22.5 billion in assets last year—up from \$11.1 billion in 1982—G.E. Credit is emerging as an awesome lender, ranking among the nation's 25 largest banks in loan volume. And in an era when America's giant corporations are bypassing banks and raising money on their own, G.E. Credit has become a special problem for the big money center banks. As they scramble to build up a lending business with mid-sized companies, the banks are finding themselves in stiff competition with G.E. Credit, whose forte is lending to these same middle-level companies.

Above all, G.E. Credit's example is encouraging other major corporations to push their finance subsidiaries into diversification, although perhaps not to the extreme that General Electric has taken it. G.E. Credit, founded in the 1930's to finance the purchase of G.E. refrigerators, now devotes only 2 percent of its lending to those who buy G.E. mer-

chandise. The rest is a mixture of corporate, consumer and real estate lending that has made G.E. Credit the largest diversified finance company in the United States, according to the American Banker.

The General Motors Acceptance Corporation, famous for financing only G.M. vehicles, recently bought two mortgage companies, and overnight became bigger than anyone else in processing mortgage payments. Ford's financing arm has acquired the First Nationwide Financial Corporation, the eighth-largest savings and loan in the United States. Chrysler acquired FinanceAmerica, the huge finance company divested last year by the BankAmerica Corporation. And two other corporate financing subsidiaries, ITT's and Gulf & Western's, are diversifying along paths similar to that of G.E. Credit, although not as dramatically. Last month, G.E. Credit took a giant step into investment banking, with the purchase of Kidder, Peabody & Company, the Wall Street house.

G.E. Credit "can become a major force in any direction they want to go," said Mark Solow, executive vice president of the Manufacturers Hanover Trust Company. Internally, Citicorp, the nation's biggest and most diverse banking company, has begun to rank G.E. Credit as one of its major competitors, along with Sears, Roebuck & Company and American Express, according to Thomas E. Jones, chief accounting officer.

The Kidder purchase was engineered by the 43-year-old Mr. Wright, a lawyer by training, who took over G.E.'s finance subsidiary in 1984. "We'll look into just about anything in financial services if it provides an attractive rate of return," Mr. Wright says. But while Mr. Wright is looking, he has a problem that could undercut his efforts to sustain the 20 percent return demanded by General Electric of its financing company.

The tax bill now before Congress would eliminate the 10 percent investment tax credit, now an incentive for leasing deals that account for one-third of G.E. Credit's loan business. The \$600 million acquisition of Kidder is part of an attempt to get away from that dependence on leasing. So was Mr. Wright's purchase last year, for a whopping \$1.07 billion, of the Employers Reinsurance Corporation, which reinsures the property and casualty policies of other insurance companies.

In anticipation of this expansion, General Electric set up a holding company, General Electric Financial Services Inc., with Mr. Wright as president and G.E. Credit as its brightest star—earning \$377 million of the new holding company's \$413 million in net income last year. That, in turn, was a very noticeable chunk of General Electric's \$2.3 billion in worldwide 1985 net income.

Mr. Wright runs his empire within the General Electric empire from a two-story sand-colored brick building in Stamford, Conn., which is G.E.'s hometown. In keeping with the image of an arm's-length relationship, the building is across town from the fortress-like structure that serves as headquarters for John F. Welch Jr., G.E.'s energetic chairman.

Mr. Welch declined to be interviewed for this article, sending word through a secretary that Mr. Wright operates autonomously. But Mr. Welch plays a significant role in G.E. Credit, says Mr. Wright. "I see him a lot, probably a couple or three times a month," Mr. Wright said. "He gets very much involved in individual transactions—he's not shy about giving his opinions."

To be sure, it is not all peaches and cream for Mr. Wright, a balding man whose wire-rimmed glasses and quiet way of speaking make him seem more like a

corporate lawyer than a big-time financier, who likes to collect fast sports cars and race them occasionally. G.E. is a tough and demanding parent. Mr. Wright and his top executives say that if the finance arm does not earn a return on equity of about 20 percent—better than G.E.'s own performance last year of 17.6 percent—then the finance arm will be divested. "If we can't earn 20 percent, or close to it, G.E. will say 'let's take our money and do something else with it,'" says Gary C. Wendt, G.E. Credit's executive vice president. "You have to keep running to survive," he said.

G.E. Credit's explosive growth began in 1983, with a decision to push lending for leveraged buyouts, commercial real estate and automobile financing. The result: profitability soared from 17.5 percent of equity in 1982 to 19.1 percent in 1985, the highest level in more than two decades.

And now Mr. Wright has been given an additional weapon for rapid growth. The parent company decided last year to allow the credit subsidiary to retain its \$377 million in earnings, thus expanding the subsidiary's capital base and its ability to lend. The year before, G.E. Credit was required to turn over \$300 million of its \$320 million in profit.

Mr. Wright, who joined G.E. not long after graduating from the University of Virginia Law School, is no stranger to divesting unprofitable units. Before he was named to head G.E. Credit, he had been vice president in charge of G.E.'s housewares and audio electronic divisions, and he sold the housewares business to Black & Decker because it did not earn enough.

Last year he sold G.E. Credit's mortgage-banking subsidiary. "We couldn't make as much money in the mortgage-banking business as people were willing to pay for it," he said. So far, G.E. Credit's return under Mr. Wright has been 20.6 percent in 1984 and 21.5 percent last year, well above the 18.1 percent of J.P. Morgan, which ranked first among the nation's major banking companies.

But even Mr. Wright acknowledges that it is hard for G.E. Credit to sustain this level of performance. Part of the problem is a long-standing one—banks can lend up to \$16 for each dollar of their capital, but finance companies, considered riskier than banks, are forced by their bondholders to limit leverage to \$8 or \$9 per dollar of capital. That means G.E. Credit must squeeze out twice the profitability on each loan as a bank to get the same rate of return on capital. So it must take on riskier loans.

Inevitably, such lending gets G.E. Credit into dicey situations. Air Florida, for example, the ill-fated airline that dissolved after one of its planes crashed, had leased most of its aircraft from G.E. Credit. After Air Florida closed down, G.E. managed to lease some of the planes to others, at a higher fee. Today, financing aircraft remains one of G.E. Credit's biggest businesses, amounting to \$2.4 billion in loans and leases.

But G.E. Credit became nervous itself in 1981 and 1982 about its huge airplane leasing activities because even some of the biggest airlines were hard hit by high fuel costs and interest payments. Preparing for the worst, G.E. Credit bought a 20 percent stake in Guinness Peat Aviation Ltd., a company based in Ireland that sells used planes. "It was basically a play that if the airline situation got worse we would have the expertise to place planes worldwide," said James R. Bunt, G.E. Credit's vice president and controller. As it turned out, the airline situation improved and recently G.E. Credit sold its Guinness common stock, tripling the money it originally invested.

THE latest threat to G.E. Credit's earnings is not credit risk so much as the tax bill now before Congress. That bill would severely reduce the company's profits from tax-oriented leasing. These are deals in which a plane, a truck or machinery is purchased by G.E. Credit, which then leases the equipment to a user while claiming the 10 percent investment tax credit. The credit would be repealed if the current tax legislation is enacted.

In anticipation of passage of some form of tax revision, G.E. Credit began moving out of tax-oriented leasing three years ago, reducing this type of lending to one-third of its total portfolio from 45 percent in the 1981-1982 period.

Tax-oriented leasing has been especially profitable for G.E. Credit because, for tax purposes, the finance subsidiary's income is combined with General Electric's, producing huge pretax earnings and a potentially giant tax bill that the investment tax credit and depreciation from the leasing operations sharply reduce. It is estimated that G.E. Credit saved the parent company about \$865 million in tax payments last year.

With tax-oriented leasing threatened, part of Mr. Wright's strategy has been to move into what he calls "asset management," in which G.E. Credit runs businesses. Recently, for example, Mr. Wright bought four companies that auction used cars, a business that Mr. Wright says ties in closely with G.E. Credit's lending and leasing activities. "We have \$2.5 billion of cars on our books and we ought to know all there possibly is about enhancing and protecting those assets," Mr. Wright said. Through the auction companies G.E. Credit will be able to sell the thousands of cars coming off G.E. leases and the cars it repossesses from people who cannot meet their payments.

In pursuit of asset management, one of Mr. Wright's first moves at G.E. Credit was to acquire Kerr Leasing and Fleet Management Services, which repairs and maintains more than 8,400 cars and trucks. The finance company's General Electric Railcar Services Corporation manages 65,000 railroad cars.

G.E. Credit started life as a consumer operation, lending to those who bought G.E. products. At one point, it had 600 offices across the country to lend to individuals. But the network proved too expensive and now G.E. Credit does practically all its consumer lending through retailers or manufacturers. Sometimes G.E. Credit buys the loans that these companies had made to their customers. In other cases, this lending is through so-called private-label charge cards, where customers think they are borrowing from, say, Apple Computer or Caldor or Levitz Furniture, when they are actually borrowing from G.E. Credit. Either G.E. Credit or the merchant suffers the loss when a loan goes into default, depending on the arrangement made.

But consumer loan losses have been rising far faster than G.E. Credit would like, and the company may reduce its lending to individuals from the current one-third of total loans. Indeed, because of soaring delinquencies, it recently sold off its portfolio of mobile-home loans made to people on the West Coast.

Despite these problems, investors remain convinced that G.E. Credit knows what it is doing. The low default rate on its corporate loans, for example, compares favorably with that of banks, and last November Moody's Investors Service raised G.E. Credit's bond rating to triple-A.

"Our objective is to have a broad base of earnings from financial services," Mr. Wright says. "All we are trying to do is to make sure we are not in a static situation."

The Economy

WEEK IN BUSINESS

The economy grew at a 3.7 percent annual rate in the first quarter, a figure interpreted variously as weak and strong. Some economists said the trade deficit will start to improve as the weaker dollar encourages purchases of American products abroad, but others noted that the benefit of cheaper oil is masking underlying weaknesses in manufacturing. Indeed, durable goods orders fell eight-tenths of 1 percent in April, although most analysts see an improvement soon. Inflation stayed away: consumer prices fell three-tenths of 1 percent in April, the third drop in a row. But most economists expect an increase in consumer prices as oil climbs back up. (Oil futures traded above \$17 a barrel last week for the first time in three months.) Personal income and spending increased in April, although little of the money went for big-ticket items.

The House voted to tighten trade regulations and take a lot of the discretionary power from the President on retaliating against trading partners deemed to be unfair. The bill requires that the United States open negotiations with countries that have "excess" trading surpluses. If the talks are not fruitful, the bill requires retaliatory actions, including tariffs and trade curbs. But the President has threatened a veto of any protectionist legislation.

Canada reacted angrily to United States curbs on imports of red cedar shingles and shakes. The surprisingly strong reaction could threaten the success of the Washington-Ottawa trade talks.

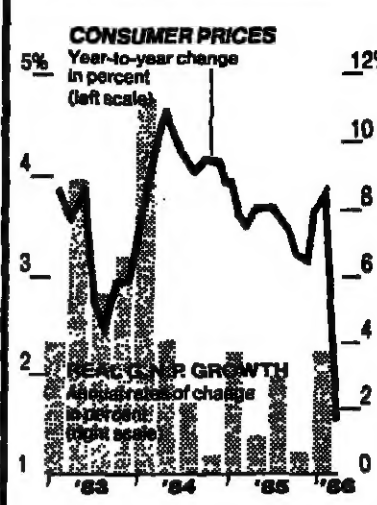
James E. Olson was appointed chairman of A.T.&T., replacing Charles L. Brown, who led the telephone company through divestiture and into its smaller, more diversified identity. Mr. Olson, pictured, is faced with transforming A.T.&T. into the cash cow it once was, and revitalizing some of its lackluster businesses, such as computers. A man who started his career literally at the bottom—of manholes—Mr. Olson is known for an aggressive management style analysts say will be needed if A.T.&T. is to regain its momentum.

A top officer at Morgan Guaranty may have made up to \$6 million in unauthorized withdrawals from accounts of Brazilian customers, Morgan said. While it did not identify the banker, other sources named Antonio Gebauer, a senior vice president who moved to Drexel Burnham last year. Brazilian banking practices allow wide discretion on the part of American investment advisers, and that may have allowed the officer to make the withdrawals, experts said.

A Federal judge froze the assets of Dennis B. Levine, a former managing director at Drexel Burnham who is accused of a \$12.6 million insider trading scheme. The S.E.C. filed papers charging that Mr. Levine, who has said he is innocent, repeatedly used inside information to trade in stocks of as many as 23 companies.

Stocks revived, posting three double-digit gains, although trading itself was slow. The Dow Jones industrial average ended the week at a strong 1,833.29, up 63.49. Interest rates were

Growth vs. Inflation



as mixed as the economic signals. M-1 rose just \$1.3 billion.

Viacom bought out Carl C. Icahn's 16.9 percent stake, eliminating the threat of a takeover of the entertainment company and giving Mr. Icahn a profit of up to \$35 million. The deal calls for the financier to get cash, \$10 million in free air time and warrants to buy 2.5 million Viacom shares.

Lorimar will buy 7 TV stations from Kohlberg, Kravis for \$1.85 billion, believed to be a record. Kohlberg bought the stations last year from Storer and Wometco.

Gannett gobbled up another family-owned newspaper operation, agreeing to buy The Louisville Courier-Journal and The Louisville Times for \$300 million from the Bingham family. In the past year Gannett, which has been cash heavy, has also purchased The Detroit News and The Des Moines Register. All of them, considered journalistically excellent, have been sold as a result of divisions within the controlling families.

Changes in the tax bill passed by the Senate Finance Committee will be opposed by President Reagan, who said that agreeing to some changes could weaken the overall bill. So it looks like an uphill fight for those who want to restore some deductions, particularly those for Individual Retirement Accounts.

Occidental and Drexel Burnham agreed to buy Diamond Shamrock Chemicals for \$800 million in an unusual joint venture. Occidental had tried to buy Shamrock last year. This time, though, Occidental has been hit hard by the oil slump and is looking for a cushion in Shamrock's chemicals. Occidental will also sell exploration and production operations that it got as part of its purchase of Midcon, will make further cuts in exploration lay off more workers.

The Fed proposed eliminating more barriers between banks and their thrift subsidiaries, apparently at the request of Citicorp. Opponents do not want any further blurring in the distinction between banks and thrift units.

A.M.C. and China will keep alive their joint venture in Peking. They had discussed abandoning it because of disputes over foreign exchange and modernization of the plant.

Miscellaneous. G.M. plans to stop selling cars and trucks to police and military in South Africa, but is resisting ending all operations there. ... Ford, recovering from its ill-fated attempt to buy into Fiat, is negotiating for a stake in Alfa Romeo. ... Pan Am is considering selling stock in two of its profitable subsidiaries.

Merrill Perlman

The New York Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED MAY 23, 1986

Company	Sales	Last	Net Chng
Sperry	10,751,500	73%	+
Novest Ut	10,644,900	19%	+
IBM	7,550,800	143%	-
AT&T	7,078,800	24%	+
Kmart	5,834,800	52%	+
US Steel	5,537,650	20%	+
Pan Am	5,045,200	6%	+
Sears	4,566,400	47%	+
Mobil	4,400,900	31%	+
Dom Fin	4,395,500	3%	+
Phil PI	4,380,700	10%	+
Oak Ind	4,245,000	1%	-
Dart Kr	4,007,800	59%	+
Chrys	3,823,800	37%	+
E Kodak	3,812,500	58%	+

MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
1,323	656	2,214	197	37

VOLUME

Total Sales	Same Per. 1985
591,012,050	584,828,550

WEEK'S MARKET AVERAGES

High	Low	Last	Change
180.8	155.0	180.3	+5.18
123.6	118.2	123.5	+4.64
89.2	87.4	89.0	+1.33
154.0	146.5	153.8	+7.07
130.2	134.2	138.8	+4.44

Standard & Poor's

400 Indust	270.5	259.8	289.8	+9.45
20 Transp	204.2	184.7	203.8	+7.95
40 Utils	103.7	100.3	103.4	+2.51
40 Financial	29.6	27.7	29.5	+1.70
800 Stocks	242.1	232.4	241.3	+8.59

Dow Jones

30 Indust	1842.1	1748.5	1823.2	+63.49
20 Transp	803.9	765.9	797.9	+26.25
15 Utils	185.5	179.7	184.3	+3.30
85 Comb	713.1	681.1	706.7	+22.53

The American Stock Exchange

MOST ACTIVE STOCKS

WEEK ENDED MAY 23, 1986

Company	Sales	Last	Net Chng
DomePet	4,342,300	1	-
LorimarTel	3,583,600	30%	+
Wicks	3,444,600	6%	+
FluorInd	1,923,200	10%	+
Texaco Air	1,863,400	33%	+
AmExFtWt	1,558,300	4%	+
Alza Co	1,507,400	42%	+
BAT Ind	1,349,300	5%	+
WangLab B	1,292,600	16%	+
ICH	1,207,800	25	...

MARKET DIARY

Advances	Declines	Total Issues	New Highs	New Lows
424	358	135	87	18

VOLUME

Total Sales	Same Per. 1985
57,341,335	32,293,950

The New York Times

Founded in 1851

ADOLPH S. OCHS, Publisher 1896-1935
ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVILLE DRYFOOS, Publisher 1961-1985

ARTHUR OCHS SULZBERGER, Publisher
A. M. ROSENTHAL, Executive Editor
SKYMOOR TOPPING, Managing Editor
ARTHUR GELB, Deputy Managing Editor
JAMES L. GREENFIELD, Assistant Managing Editor
MAX FRANKEL, Editorial Page Editor
JACK ROSENTHAL, Deputy Editorial Page Editor
JOHN D. POMFRET, Exec. V.P., General Manager
LANCE R. PRIMES, Sr. V.P., Asst. General Manager
RUSSELL T. LEWIS, Sr. V.P., Circulation
J. A. RIDGES JR., Sr. V.P., Operations
HOWARD BISHOP, V.P., Employee Relations
ERICH G. LINKER JR., V.P., Advertising
JOHN M. O'BRIEN, V.P., Controller
ELISE J. ROSS, V.P., Systems

To Let Commanders Command

If the Russians were poised to invade Australia, the American commander in Honolulu would prepare to fight them. But before he could meet any adversary, the commander in chief Pacific would face daunting problems to the rear. Congress aims at last to lift these handicaps by overhauling the Defense Department.

Hard to believe, all America's field commanders lack effective control over their forces. That is because troops and resources are provided by separate bureaucracies, the Army, Air Force and Navy-Marines. A commander's officers owe their promotions, careers and long-term allegiance to these services, not to him. If his needs for weapons or training conflict with the services' wider interests, the services almost always prevail.

Why can't the commander take his case to the Joint Chiefs of Staff? Because the Joint Chiefs—the heads of the four services plus a chairman—too often act like ambassadors, protecting their service interests and budgets. Though expected to break down service demarcations, the Chiefs work in a structure that invites papering over differences to present a united front to the Secretary of Defense. Their proffered advice, according to former Secretary James Schlesinger, "is generally irrelevant, normally unread and almost always disregarded."

The parochialism of the services emerges in damaging ways. One logrolling pact, for example, says the Army cannot deploy fixed-wing planes to support its troops; planes belong to the Air Force. Yet the Air Force, more interested in long-range bombing, neglects ground support. So the Army must rely on slow, vulnerable helicopters. Sealford is similarly shortchanged. As Representative Les Aspin explains, "The Navy is interested in sea warfare, not in running a freight service for the Army."

And at budget time, the service chiefs fight hardest for service goals—600 ships, 40 air wings, 18 divisions. Most cuts then must come from train-

ing or ammunition, not from canceled new weapons—the opposite of what the field commanders would prefer. The imbalance between service interests and mission needs is as old as the Defense Department. Proposals for change started with President Eisenhower but have met vigorous resistance, particularly from the Navy, which has most autonomy to lose. Now, at last, change seems certain.

At the urging of Senators Barry Goldwater and Sam Nunn the Senate has voted, 95 to 0, to reorganize the department, and the commission headed by David Packard has endorsed the same principles. The planned reforms shift bureaucratic power in two directions. One is to give the field commanders better control over their men and resources and a stronger voice in military budgets. The other is to elevate the chairman above the other Joint Chiefs, vesting him with the staff and authority to make decisions that transcend service interests.

Navy Secretary John Lehman feared the Senate's proposals for reform would make his job ceremonial, jeopardize civilian control of the field commanders, and make the chairman of the Joint Chiefs a dangerously independent "single voice." Gen. Paul Kelley, Commandant of the Marine Corps, has warned of a dangerous loss of Pentagon efficiency.

These are serious concerns. The planned reforms could jeopardize civilian control by shifting power from the service chiefs, the military's administrators, to the field commanders who have the troops. Proponents argue civilian control is strengthened by having the commanders report directly to the Secretary of Defense. The House, likely to approve similar changes, needs to assure itself that civilian control will not be weakened.

Military organizations are rightly conservative, knowing that ill-considered reforms can produce national defeat. But the time to give field commanders authority to match their heavy responsibilities is long overdue.

Ignorant About Hunger

"I don't believe that there is anyone going hungry in America simply by reason of denial or lack of ability to feed them," President Reagan said to visiting high school students last week. "It is by people not knowing where or how to get this help."

You're right, Mr. President, that lack of information is part of the hunger problem, but do you know why so many Americans are unsure of where to turn when their pockets and larders are empty? Would you believe that your own Administration is to blame? Here's how.

In 1971, Congress enacted an outreach program to insure that organizations involved with poor people, like senior citizens' centers and unemployment offices, provide information about the nation's food programs. The Federal Government provided booklets and paid half the program costs.

In 1981, however, the Administration tried to get this outreach provision repealed, leaving the states free to choose whether or not to participate. Then Senator Jesse Helms had an idea the Administration liked even better. Let the states continue their programs if they want, he said, but without a dime of Federal money. The Administration supported the Helms proposal, which Congress then accepted. Some states continued to promulgate infor-

mation. A lot more didn't, or did so less effectively.

Two years later, Representative Leon Panetta, Democrat of California, proposed requiring outreach again—but only to reach the elderly, disabled and unemployed. Again Mr. Helms objected, and again the Administration concurred. The Panetta proposal passed the House; a counterpart never even made it to the Senate.

Perhaps you can see, Mr. President, why some Americans don't know "where or how to get this help." That even some help is available in the first place is partly the result of Congress's forcing you to spend money you wanted to cut. Your budget proposed dropping the Emergency Food and Shelter Program, which helps communities deal with hunger and homelessness. It called for eliminating \$50 million that helps local food banks transport and store surplus commodities.

Coincidentally, that's the same amount of money that Hands Across America hopes to raise today with its nationwide human chain. We understand you're joining in; if you're serious about hunger, there's a lot more you could do to show it.

The hungry aren't the only ones who lack information about the nation's nutrition programs. But they have an excuse.

At Last, Victory Over Vermin?

Among New Yorkers—for whom cockroach cohabitation is an all-too-common denominator—the news is being spread in tones of awe and disbelief. Maybe it is possible, after all these years and all those approaches, to get rid of roaches. Combat seems to work.

Made by American Cyanamid, Combat has been on the market for a year and comes in little black squares that slide under ovens or stick to the sides of refrigerators. Cockroaches enter, dine on oatmeal and corn syrup spiked with a lethal chemical, and wander off to die.

The chemical, AC 217,300, is part of a new generation of pesticides known as amidinohydrazone, originally synthesized for pharmaceutical use as anti-malarial and anti-tubercular agents. It turned

out that in certain insects they also impair the ability of individual cells to respire, or use oxygen. Red ants are similarly affected.

Cockroaches have flourished for 350 million years. They can fold their wings to hide in tiny spaces. They can survive on a diet of book glue and paper. Females can reproduce repeatedly after only one contact with a male. They are even resistant to radiation.

Considering all that, a certain humility is in order on the part of humans. The scientists hope that cockroaches will not become resistant to amidinohydrazone as they have to pesticides like DDT. Meanwhile, even a transitory triumph is worth celebrating. Happiness is flicking on the kitchen light at 2 A.M. and not seeing anything scurry.

Topics

Seeing Red

"Information about the capitalist world is monotonous," a Soviet commentator wrote recently in Pravda, criticizing Soviet television's coverage of the West. "Journalistic clichés [like pictures of protests] migrate from broadcast to broadcast." It's a surprising, and welcome, complaint—a sign that maybe the Gorbachev era truly means to let in a little light.

But Americans ought not quickly soak in a warm bath of virtue. Our television depicts Russia with every bit as much monotony and cliché. Who is the typical Soviet citizen in prime-time America? A ham-handed Kremlin bureaucrat, a merciless intelligence agent or maybe a mason in a shawl, sweeping the street with her birch broom. The same stereotypes abound in commercials.

Mirror Images

The only relief comes from television news, which occasionally gives a sense of everyday life. Even against the backdrop of the Chernobyl nuclear disaster, for example, the scenes of daily life in Kiev had surprising texture.

The second-best thing the Russians can do on this theme is to picture people who better represent the texture of life in this country. The best thing is to let our television show more of life in theirs.

The Frog's Message

Two young Oklahoma women met a frog on the street. "Kiss me," the frog said, "and I'll turn into an independent oil man."

"Aren't you going to kiss it?" the other asked.

"No. A talking frog is worth something."

If that story doesn't convey how tough times have gotten in America's oil patch, try this one. How do you get an oilman down from a tree? A: Cut the rope.

Letters

Stop the Religious Persecutions of Voodoo in Haiti

To the Editor:

Imagine a popular religious movement in Europe. Imagine that from its inception women frequently constituted half its leadership. Imagine that same religion suddenly attacked by male bigots, who kill priestesses, threaten other women leaders of the faith, burn their altars and loot their homes. Or picture another unbelievable situation in which Jews are led to the main plaza of a Western city and forced to kneel and recant their religion (as Jews were sometimes forced to do in the days of the Inquisition). Finally, imagine decent Christians once again, as in ancient Rome, killed and persecuted for their beliefs.

These nightmares are being perpetrated against the followers of the Haitian people's religion "sévi lwa" (literally, the serving of the spirits of God). Outsiders call their faith voodoo and assume it a mere tissue of superstitions. This makes it easy for fanatics to target this ancient faith for annihilation, its women leaders in particular.

There is nothing in the teachings of Christ that says you may take out your frustrations, for whatever reasons, on members of a rival faith and kill nearly 100 of them. Such behavior is a sin against Christ's central admonition to love thy neighbor as thyself.

I pray that church leaders of whatever denomination, Amnesty International, feminist leaders, B'nai B'rith and other guardians of human rights and freedom from religious persecution come together to stop this murder of a maligned religion. Sadistic fanatics are committing cultural genocide right off our shores.

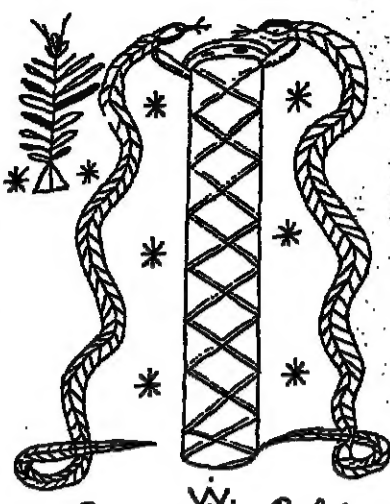
ROBERT FARRIS THOMPSON
Professor of African
and Afro-American Art History
Yale University
New Haven, May 18, 1986

An Inspiration to Art

To the Editor:

Marlise Simons' well-documented, disturbing article on the persecution of the peasants' religion in post-Duvalier Haiti (front page, May 15) slighted only one matter of significance.

The popular art of Haiti, which dominates the Caribbean and which is represented in major museums of the United States and Europe, has its deepest roots in voodoo. The first Haitian masterpiece acquired by a major museum, Jean-Enguerrand



From "Voodoo in Haiti" by Alfred Barr
The voodoo symbol of the snake god Damballah drawn by the human (priest) Abraham.

Gourgue's "Magic Table," which was bought by Alfred Barr for the Museum of Modern Art in 1948, depicted voodoo in its uncharacteristic

black-magic aspect. The slave insurrection of 1791, from which black Haitians eventually achieved independence from France, was hatched at a voodoo ceremony.

The cult, imported from West Africa but subtly melded with official Roman Catholicism over the years, became firmly established during the century when the white world attempted to seal off the first independent black nation.

It dominated Haitian art, from the moment DeWitt Peters opened Le Centre d'Art in 1948, and André Breton took the first paintings of the voodoo priest Hectol Hyppolite to the Unesco exhibition in Paris.

When André Malraux, Charles de Gaulle's Minister of Culture, visited Haiti in 1973, he pronounced the voodoo-inspired paintings of the fledgling St. Soleil peasant commune to be the world's outstanding popular art.

The two most influential Haitian artists in the decades since Hyppolite have been André Pierre and Lator-tune Félix, both priests of voodoo, whose sole inspiration has been the symbolism of the cult and the visual beauty of its traditional ceremonies. Less renowned than the work of these artists' perhaps, but as firmly grounded in the peasant religion, are Haiti's outstanding contributions to music, dance and literature.

If the religious fanatics of Catholicism and Protestantism succeed in exterminating voodoo, whose priests have been notably peaceable and tolerant of other religions, one wonders what kind of flower will grow in the cultural desert they bequest to the new Haiti.

SELDEN RODMAN
Oakland, N.J., May 15, 1986
The writer's books on Haiti and Haitian art include "Haiti: The Black Republic" (1954).

The Senate Finance Panel's Tax Bill, I.R.A.'s and Capital Gains

To the Editor:

Joan and Merton Bernstein (letter, May 14), in recommending the elimination of the tax deductibility for I.R.A. contributions, have completely misunderstood both the purpose and spirit behind the individual retirement account.

In 1981, our President saw fit to send a message to the American citizen: that the Government will no longer attempt to satisfy every need and want of the individual, nor will it provide a safety net so broad as to protect those who willfully would not plan for themselves. The I.R.A. is symbolic of this concept. It brings to the mind of individuals that they must begin to look after themselves. It is not, nor ever was, a tax shelter for the poor and cannot be judged as such.

On the issue of saving, although a large percentage of I.R.A. contributions came from money previously saved, it has added well over \$100 billion of new savings, helping to provide necessary capital for our economy's survival. Eliminating tax deductions for future I.R.A. contributions would be one giant step backward.

GARY D. AMBROSE
NORMAN A. DAWIDOWICZ
New York, May 14, 1986
The writers teach economics at Yeshiva University.

To the Editor:

The Senate Finance Committee's elimination of the popular individual retirement account for those covered by a corporate pension plan reveals a serious lack of understanding of sound individual-retirement-income planning. The I.R.A. is everything a corporate pension plan is not. The I.R.A. provides for ownership of invested assets, full and immediate vesting, national portability, full earnings participation, access to capital during retirement, investment choices and personal payout provisions.

The I.R.A. is the critically important supplement to the benefits of a corporate plan and should be inviolate.

JOEL L. FRANK
Marlboro, N.J., May 15, 1986

To the Editor:

Rather than drop the individual retirement account provision as advocated in your editorial of May 15 ("Tax Reform Is Worth Your I.R.A.") or retain the deduction in its present form, it is preferable, in my opinion, to adopt one of the following two compromises.

(1) Create a \$50,000 adjusted-gross-income ceiling, thus taking the I.R.A. deduction away from taxpayers with adjusted gross income in excess of \$50,000.

(2) Continue the provision for I.R.A. in its present form, but limit the deduction to 14 percent of the contribution for all taxpayers, regardless of tax bracket.

ISAAC DEUTSCH
Howard Beach, N.Y., May 15, 1986

To the Editor:

If tax reform is worth giving up I.R.A.'s for, as your May 15 editorial so confidently asserts, why isn't it also worth giving up 401(k) deductions for? From a tax point of view, they are precisely the same. How about Keogh deductions?

Why should a majority of the 28 million I.R.A. participants be asked to forfeit a principal tax shelter when the 154 million participants in 401(k) plans keep theirs, albeit at reduced levels. It is no answer to preach to the I.R.A. losers that they will be compensated by lower tax rates because 401(k) nonlosers will benefit from the very same rate reductions but without any of the pain.

Whatever else tax reform may be about, it should be concerned with basic equity.

VICENIA, VA., May 15, 1986

To the Editor:

You think it's O.K. to abolish individual retirement accounts. You say, "Eliminating skewed benefits is exactly what true tax reform is supposed to accomplish."

All right. Then what about eliminating tax exemptions for Americans working overseas? Let's be really fair.

CAROLYN S. ACKERMAN
Hempstead, L.I., May 15, 1986

To the Editor:

As nice as it is to have tax reform close at hand, there is one feature of the Senate bill that merely compounds an existing inequity. That is the provision that would tax so-called capital gains as ordinary income. I say "so-called" because all long-term gains contain an element of inflation, and any tax on this element constitutes a tax on the capital itself.

The tax code's assumption that all dollars, say 1936 and 1986 dollars, are one and the same produces some strange anomalies when applied to the world of capital gains. For example, an asset purchased in 1967 for \$10,000 and sold in 1986 for \$30,000 is assumed to have produced a \$20,000 profit, when it has, in fact, generated a \$3,200 loss (the 1967 Consumer Price Index is now 305.0). Nonetheless, under present law, the taxpayer must pay as much as \$4,000 on this "gain," and under the Senate bill, some taxpayers would have to pay as much as \$6,000. State and local income taxes, which also ignore inflation, bring these amounts even higher.

The equitable solution to this anomaly continues, unaccountably, to be ignored. Capital gains should be indexed (deflated by the Consumer Price Index to the year of purchase), and the true gains should then be taxed as ordinary income. This would give investors and householders a fairer break and probably bring larger sums to the Treasury because many long-held assets are now retained solely to avoid the excessive taxes incurred by their sale. The Senate bill, by imposing a substantially higher penalty on such sales, would merely lock in many more holdings and be a damper on long-term investment.

Locking in additional capital would be particularly unfortunate now, when there is a wide movement from sunset manufacturing industries to new companies springing up in the service areas where our country retains a considerable comparative advantage over its main international competitors.

FREDERICK K. LISTER
Rye Brook, N.Y., May 18, 1986

Higher Rate Applies Only to Part of Income

To the Editor:

A garland of garlic to you for publishing Harvey F. Carroll's May 18 letter, thereby giving credence to a serious though apparently widespread misconception as to how the graduated Federal income-tax rates operate.

Mr. Carroll erroneously assumed that if a taxpayer's taxable income reaches into a higher rate bracket, the higher rate applies to all his taxable income and not just the portion that falls within the higher bracket. If the system actually worked that way, it would indeed be manifestly unfair; but it never has and surely never will.

To correct Mr. Carroll's example, if the breakpoint between the 15 percent rate bracket and the 27 percent rate bracket is \$40,000 in taxable income, a taxpayer who has \$40,000 in taxable income would pay \$5,000 in taxes, while one who had \$40,001 would pay 27 percent on only the last \$1, or a total of \$6,000.27 (not 27 percent on all \$40,001, or \$10,800 as Mr. Carroll computed it).

There may be valid reasons to oppose the Senate Finance Committee's tax-reform proposal, but the one advanced by Mr. Carroll is not among them.

WILLIAM C. CONNER
United States District Judge
New York, May 19, 1986

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

Viewers Could Judge Abu Abbas for Themselves

To the Editor:

I hope Jerry Arbibitter shows more common sense and respect for facts as chairman of the Klinghoffer Foundation than as a letter writer (May 18). Mr. Arbibitter complained that NBC News did not help arrest the terrorist Abu Abbas when he was "within its grasp." NBC News did not capture Abu Abbas. We are neither a national intelligence service nor a law-enforcement agency. We do not have the authority or the ability to arrest fugitives. Our role is to report news.

Abu Abbas is a leader of international terrorism. His intentions, attitudes and plans are important for the American people to know and understand. As was obvious to anyone who saw our reports, NBC News did not give Mr. Abbas the "unchallenged forum" that Mr. Arbibitter claimed he had. Tom Brokaw ended the report on the Abbas interview this way: "As to the claim of Abu Abbas that his men didn't shoot Leon Klinghoffer to

death, eyewitnesses on the ship described the murder by the hijackers of Klinghoffer, who was in a wheelchair at the time."

When Edward R. Murrow conducted the first television interviews with China's Chou En-lai and Yugoslavia's Marshal Tito, similar cries of outrage were heard from those with little respect for the American public's ability to sort right from wrong.

Today, unlike the past, Americans are prime targets of terrorism. It is essential that we know who our enemies are and know what we are up against. Ignorance and censorship are no service to a democratic society. As chairman of the Klinghoffer Memorial Foundation, Mr. Arbibitter should demonstrate some faith in the capacity of the public to judge Abu Abbas for itself and assess for itself the real dangers of terrorism in this world.

LAWRENCE K. GROSSMAN
President, News Division, NBC
New York, May 20, 1986



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Test Of Wills

Congress Is Taking Exception to Reagan's Foreign Policy Agenda

By STEVEN V. ROBERTS

DURING his first term, President Reagan used his considerable political skills to have his way generally on foreign policy, and Congress went along with the dispatch of American troops to Beirut and the sale of advanced radar planes to Saudi Arabia. But in recent months, Mr. Reagan has had more trouble getting what he wants from Congress on foreign issues. And last week, the struggle between the White House and the Congress over control of the nation's foreign policy intensified as Mr. Reagan's policies in several areas were challenged on Capitol Hill.

In the face of an almost certain defeat, Mr. Reagan reluctantly modified the terms of an arms sale to Saudi Arabia; but even after that concession, Senate opposition remained strong and the final showdown on the issue was postponed.

The House voted decisively in favor of a sweeping revision of the nation's trade laws, ignoring the President's prediction that the bill could trigger an international trade war.

In mid-June, Congress will again consider Mr. Reagan's long-stymied request for \$100 million in military aid to the Nicaraguan rebels. Another bill ready for House action would effectively bar secret shipments of weapons, including Stinger antiaircraft missiles, to insurgents in Angola.

As these events indicate, Congress is demonstrating a new assertiveness in foreign affairs, and confronting the Administration on a broad range of issues. Mr. Reagan remains a highly popular figure, but these clashes reveal some fundamental disagreements between the legislative and executive branches.

To Administration critics, the renewed willingness of Congress to take on the White House is a healthy development and marks a return to "the natural mode of behavior" on Capitol Hill, as Representative Gerry E. Studds, a Massachusetts Democrat, put it. Administration supporters, however, express alarm at the trend and agree with Representative Dick Cheney of Wyoming, the third-ranking Republican in the House, who said, "You can't have foreign policy carried out by 435 House members and 100 Senators. There are times when the President needs strong support, and debate has to stop at the water's edge."

In fact, the proper relationship between Capitol Hill and the White House over foreign policy has been debated since the earliest days of the Republic. Kenneth W. Thompson, writing in a book called "The President, The Congress, and Foreign Policy," noted: "The Founders were ambivalent and uncertain about who should make foreign policy and their uncertainty is reflected in the Constitution."

The President was made both chief diplomat and commander of the armed forces. Congress received the power to ratify treaties, approve ambassadors, declare

war and control finances. The result has been a "sharing of responsibility," Mr. Thompson wrote, and, at times, that overlap has been "an invitation to struggle."

After World War II, the nation was largely united, and the President enjoyed wide discretion. But that was shattered by Vietnam, which revived Congressional aggressiveness and spawned such restrictive measures as the War Powers Resolution.

Unpopular Policies

One reason for this is politics. On issues like foreign trade, and aid to the Nicaraguan rebels, he has been pushing policies that are distinctly unpopular with many voters. And as Representative Cheney put it, "in a campaign year, it's tough to get members to vote for the President's wishes if it puts them at odds with key constituent groups back home."

Representative Les Aspin of Wisconsin, the Democratic chairman of the Armed Services Committee, said, "I think we're seeing a little lame-duckism." Representative John McCain, the Republican Senate candidate in Arizona, agreed. Mr. McCain, a member of the Foreign Affairs Committee, said "Ronald Reagan is not going to be at the top of the ticket, and people are striking out on their own. I don't think anybody wants to be perceived as a Reagan robot."

Mr. Reagan's political clout has been further eroded by a relatively new White House staff that receives decidedly negative reviews on Capitol Hill. Representative Trent Lott, the Republican whip, said the Administration has been particularly insensitive to the political impact of issues like international trade, which means lost jobs to thousands of workers.

"I've been telling them for two years about the trade issue — it's coming, it's coming," said the irritated Republican leader. "Now it's here, and they could be set up for a veto override if they don't get their act together."

Senator Dave Durenberger, the Minnesota Republican who heads the Intelligence Committee, said "right-wing Senators," having rejected the President as a leader on some foreign issues, have forced Administration policy outside of the Congressional consensus as in the case of aid for the Angolan rebels.

But the heart of Mr. Reagan's problem is a basic disagreement over policy. Since the 1984 election, the President and his advisers have been arguing that the "post-Vietnam syndrome" in American politics is now dead, that the country is ready to support a more vigorous use of American power to root out terrorists and topple left-wing governments around the world. And in certain cases, such as the air raid against Libya, popular and Congressional opinion have generally backed the President.

But in other areas, such as the campaign against the Sandinista Government in Nicaragua, the activism of the Administration has triggered a negative reaction on Capitol Hill. Senator Richard G. Lugar of Indiana, the Republican chairman of the Foreign Relations Committee, said this was normal, adding: "This Administration is in a very active mode." As the White House proceeds with new initiatives, Mr. Lugar said, "you're going to get

into many more battles."

Critics of the Administration, however, argue that the "post-Vietnam syndrome" lingers on, and that Congress is reflecting fears about foreign military adventures that remain seared into the national consciousness. "I don't think we've gotten over the post-Vietnam syndrome entirely," said Representative David E. Bonior, a Michigan Democrat and a veteran of the war. "That experience was so intrusive into the lives of our generation that it will be with us for ever and ever."

If Americans are willing to support swift assaults, such as the Libya and Grenada raids, they remain deeply suspicious of any open-ended commitment to a warring war. And that is why many lawmakers keep pressing the Administration to explain its long-term goals and strategies in such regions as Central America and the Middle East.



David Gohard

15 U.S. Reactors Are Awaiting Licenses

How Chernobyl Alters the Nuclear Equation

Hanging in the balance

U.S. nuclear plants proposed for operation soon

Plant	Location	Utility	Percent completed	Full-power operation date
Beaver Valley 2	Shippensburg, Pa.	Duquesne Light	94%	Late 1987
Bridgwood 1	Bridgeport, N.J.	Continental Edison	96	May 1987
Byron 2	Byron, Ill.	Commonwealth Edison	93	May 1987
Clinton 1	Clinton, N.Y.	Illinois Power	100	Nov. 1988
Comanche Peak	Sanford, Texas	Texas Utilities	99	Uncertain
Hope Creek 1	Lower Alloways Creek, N.J.	Public Service Electric and Gas	100	Dec. 1986
Nine Mile 2	Scotch, N.Y.	Bedford-Mohawk	98	Spring 1987
Palo Verde 3	Wintersburg, Ariz.	Arizona Public Service	96	Fall 1987
Perry 1	North Perry, Ohio	Cleveland Electric	100	July 1988
Seabrook 1	Seabrook, N.H.	Public Service N.H.	99	Uncertain
Shoreham	New Hope, N.Y.	Carolina Power and Light	98	Dec. 1986
Shoreham	Shoreham, N.Y.	Long Island Lighting	100	Uncertain
South Texas	Weslaco, Texas	Houston Lighting and Power	96	Dec. 1987
Vogtle 1	Waynesboro, Ga.	Georgia Power	94	June 1987
Watts Bar 1	Spring City, Tenn.	Tennessee Valley Authority	100	Uncertain

Sources: Individual utilities

By STUART DIAMOND

THE Soviet nuclear plant disaster at Chernobyl is casting a deepening shadow over reactors in the United States. Already, politicians and critics are concerned about the ability to evacuate people in a major accident are taking steps to delay the operation of some of the 15 nuclear plants that are complete or nearly complete but not yet licensed for full power. Those plants, whose total investment is about \$50 billion, include Shoreham on Long Island, Seabrook in New Hampshire and Comanche Peak in Texas.

Many experts insist that American reactors have more safety features than Soviet units. These include an airtight structure to contain steam pressure and radiation, and multiple emergency cooling systems. But information brought to light last week challenges some of that reasoning. The Soviet reactor was found to have more safety features than first thought, including heavy walls

for shielding, a huge water pool to reduce steam pressure and valves to seal in radiation. Also, a Congressional subcommittee, headed by Edward J. Markey, a Massachusetts Democrat, released Nuclear Regulatory Commission documents showing that bad management and human error sometimes render safety features useless, a conclusion similar to findings after the Three Mile Island accident in 1979.

Last year, the containment designed to hold in radiation leaks was ineffective for two months at the Fermi plant in Michigan because workers failed to close large valves leading from the reactor. Luckily, there were no accidents. Last June, multiple failures at the Davis-Besse plant in Ohio caused a loss of vital cooling water and threatened the nuclear fuel. The N.R.C. said last week that bad management is a bigger safety threat than design or hardware and cited 17 problem plants.

"As with the Soviet reactor, our reactors are not designed to contain large core melt accidents," said James K. Asselstine, one of the five commissioners. He noted

that the agency says the probability of a meltdown in an American reactor in the next 20 years is nearly 50 percent and that some meltdowns could release even more radiation than at Chernobyl. At least 13 people died and 300 were hospitalized in the Soviet accident, which started April 26 with an explosion. Thousands of people are reported to have been permanently relocated. "It brought the reality of a nuclear accident home to a lot more people," said Herbert H. Brown, an attorney who represents the Suffolk County Legislature in opposing the Shoreham plant. But Donald C. Winston, an official of the Atomic Industrial Forum, the industry's trade association, said, "There is nothing in the Chernobyl experience that tells us there is anything wrong with our emergency planning system."

All sides say it is too soon to pinpoint specific changes based on the accident, because information is sketchy. At the very least, America's 102 operable reactors are in for scrutiny. "If I am wearing a seat belt and I see an accident, I would check the harness," said Robert M. Bernero, a top N.R.C. official. He said prime targets are new units and those shut for safety reasons, such as Rancho Seco in California and Davis-Besse.

Particularly vulnerable are the Shoreham and Seabrook plants. "We hope Chernobyl will push them over the edge," said Philip A. Tymon of the Nuclear Information Resource Service, an anti-nuclear group.

Governor Cuomo has said that the Chernobyl accident further convinces him that Shoreham should not open. One of the plant's biggest Congressional supporters, William Carney, a Suffolk County Republican, said last week that he would not seek a fifth term because of pressure from Shoreham critics. Ira L. Freilicher, vice president of the Long Island Lighting Company, which owns Shoreham, said the accident "makes it harder for politicians to support the plant," already widely opposed on Long Island. Gov. Michael S. Dukakis of Massachusetts has said the Chernobyl accident has heightened his concern about emergency planning for Seabrook, just outside the state's borders. An aide to the Governor said recently that there is "more pressure" to oppose it. Neither Mr. Cuomo nor Mr. Dukakis has approved an emergency plan, required for full-power operations of the plants. After the Soviet disaster, California announced that it would hold hearings on all of its reactors.

N.R.C. officials said proceedings on any reactor can be reopened if sufficient new information warrants it. Anti-nuclear activists in a national protest yesterday urged such steps. "This has been a big boost to those people," Mr. Winston said of Chernobyl. Added Representative Markey: "There is going to be much more questioning than ever before."

South Africa Strikes Out Across the Border

LIKENING it to the Reagan Administration's bombing of Libya, President P. W. Botha defended South Africa's attack on three black-ruled capitals last week as "legal" reprisals against the African National Congress. But the White House wasn't buying it.

Expressing "outrage," the United States expelled South Africa's senior military attaché in Washington. Pretoria retaliated by expelling his American counterpart.

However, the Administration remained opposed to punishing South Africa economically. With Britain, it vetoed a sanctions measure in the United Nations Security Council.

Washington rejected the comparison to Libya as unjustified, particularly at a time when Commonwealth representatives were in South Africa attempting to get the Botha Government and the African National Congress to reduce hostilities.

For its part, the Commonwealth group suspended its efforts and left for London.

The raid's targets, Zimbabwe, Zambia and Botswana, support the Congress but denied they were harboring guerrillas. Three people, none of them South Africans, were killed in the action.

Some South African commentators said the Government was trying to demonstrate strength to placate right-wing whites opposed to Mr. Botha's tentative moves toward power-sharing with nonwhites.

Later in the week, almost as if on cue, members of the far-right Afrikaner Resistance Movement, which is openly antiblack and urges the preservation of apartheid, broke up a meeting of Mr. Botha's ruling party, preventing Foreign Minister Roelof F. Botha from speaking.

Search for a Contadora agreement

3

The World

The Right Wins An Election In Netherlands

The "Lubbers Effect," as it is known in Dutch political parlance, prevailed in the parliamentary elections last week in the Netherlands. Although his defeat in the elections had been predicted in polls, the popularity and power of Prime Minister Ruud Lubbers, proved strong enough to lead his center-right coalition to victory in the 150-seat Parliament.

And the victory meant that the Government would not have to reconsider the Netherlands' difficult decision to deploy 48 American ground-launched cruise missiles in 1988.

The victory for the 47-year-old millionaire Prime Minister was largely



Prime Minister Ruud Lubbers

attributed to his efforts to trim the welfare state and stimulate economic growth in his four years in office.

During the campaign, Mr. Lubbers acted swiftly after the Chernobyl nuclear accident by cancelling plans for two new nuclear reactors in Holland.

Mr. Lubbers had pushed left-wing members out of his party, the Christian Democrats, before the Government made its decision last November to accept the American missiles.

The election gave the Christian Democrats 54 seats in Parliament, while their coalition partners, the Liberals, won 27; the Labor Party, which opposed the missile deployment, won 32 seats.

Vatican Envoy Is Coming Home

William A. Wilson is an old California friend and adviser of Ronald Reagan, who appointed him Presidential envoy and, later, United States Ambassador to the Vatican. Mr. Wilson resigned from that post last week, however, amid concern, Administration officials said, about unauthorized dealings he had had with Col. Muammar el-Qaddafi, the Libyan leader.

Administration officials said that Mr. Wilson, while serving as Presidential envoy, met with Libyan officials in Rome in 1982. This year, Mr. Wilson met with Colonel Qaddafi in January. When the Libyan leader told reporters he had met with an American envoy, surprised State Department officials found that Mr. Wilson had visited Libya. At the time, it was United States policy to isolate Libya, which Mr. Reagan held responsible for the December attacks at the Rome and Vienna airports.

Mr. Wilson, who in 1966 was one of three trustees who took control of Mr. Reagan's finances when he was elected Governor of California, dismissed suggestions that he was forced out by Charles E. Redman, the State Department spokesman, said Mr. Reagan had expressed his "deep appreciation to Ambassador Wilson," citing his role in establishing full diplomatic relations with the Vatican in 1964.

The 71-year-old diplomat, a wealthy rancher and businessman who had been granted special permission to retain his business connections while serving the Government, said he had resigned this year as a member of the board of directors of the Pennzoil Corporation at the State Department's request.

Ethiopia's Chief Has His Say

The leader of Ethiopia's Marxist Government, Lieut. Col. Mengistu Haile Mariam, said last week that his country wants better relations with the United States. But first, he

said, the Reagan Administration must curb its "anti-Ethiopia stance." He accused Washington of "blind hatred" toward Ethiopia's Marxist policies, but added that relations were not "irreparably ruptured."

Colonel Mengistu, speaking at a news conference in Addis Ababa, said, "Unfortunately the United States Government, out of its dislike of the social economic system we have opted for ourselves to free ourselves from underdevelopment and also out of sheer arrogance, has taken this unfriendly stance against us."

He characterized as "lamentable" the defection to the West of the country's top refugee official, Dawit Wolde Giorgis, whom Ethiopian authorities have accused of stealing refugee funds.

Mr. Dawit, who is seeking political asylum in the United States, said, in an interview on Long Island last week that he could not go home because friends had warned him that to do so would be dangerous. He said that the 1984 famine in his country was caused as much by Government policies as by drought.

Mr. Dawit also said that very little of the famine aid sent by the West was lost through corruption or diverted to the military. "We can be proud of that," he added.

A Battle Over Lethal Chemicals

The Reagan Administration wants to resume the production of chemical weapons, halted in 1980, as part of the NATO defense system for Western Europe. The weapons are needed, the Administration says, as a deterrent against similar Soviet stocks and Russian soldiers equipped to use them. But Congress, in appropriating money for the weapons, said the NATO allies had to approve them before they could be built. Last week in Brussels, 15 NATO defense ministers gave their formal approval. But a number of influential members of Congress promptly accused the Administration of asking the wrong NATO body.

Ten members of the Senate Appropriations Committee, headed by the chairman, Mark O. Hatfield, Republican of Oregon, accused the Administration of attempting "to flout the Congressional directive" which, they said, required the approval of the North Atlantic Council. This council, made up of ambassadors or foreign ministers, is NATO's governing political body. Unless the North Atlantic Council approves, said Dante B. Fascell, Democrat of Florida, chairman of the House Foreign Affairs Committee, he will try to get funds for the weapons revoked.

Six of the 15 countries at the Brussels meeting expressed opposition to the American weapons plans, NATO authorities said, and Belgium and Italy put conditions on their deployment. "There will be no storing of these weapons in Britain or Europe in peacetime," added George Young, the British Defense Secretary. West Germany made its approval conditional on removal of existing American nerve gas stocks from its territory. (France, the other major West European power, is a member of the council but not of the defense ministers group.) The new weapons are to be stocked in the eastern United States.

U.S. Dispute on Drugs in Mexico

The Reagan Administration was divided last week over what to say and think about drug trafficking as well as charges of political and economic mismanagement and official corruption in Mexico. Some State Department officials have criticized Mexico sharply and William von Raab, the head of the United States Customs Service, has testified that the governor of one Mexican state was growing marijuana and opium on his own farm. Last week, however, the Attorney General of Mexico, Sergio Garcia Ramirez, said he had been assured by Edwin Meese 3d, the United States Attorney General, that the criticism did not "reflect in any way the opinion of President Ronald Reagan or the point of view of the Justice Department."

Mr. Garcia Ramirez's account was corroborated by a spokesman for the Justice Department who said Mr. Meese thinks "the charges don't reflect the views of the President, the U.S. Government or the Department of Justice." But a Customs Service spokesman said that agency stood behind Mr. von Raab's statements.

James F. Clarity,
Milt Freudenheim
and Richard Levine

Farmers' Slipping Share of The Market

By CLYDE R. FARNSWORTH

HARD times on the farm and political backlash from farmers in an election year have stirred new militancy in United States agricultural trade policy. Against a backdrop of mounting farm debt, price-depressing crop surpluses and shrinking land values, the Reagan Administration has moved closer to combat with some of its most valued foreign allies.

Washington is trying to increase farm exports in a world awash in food. India is one of 30 countries that were formerly importers of food and have now become exporters. For decades, American farmers advocated free trade and prospered in a relatively open world trading system. Farm exports nearly tripled in the 1970's. But since 1981, although still the leading export item, farm shipments have fallen 30 percent to \$31.2 billion last year, contributing to the trade deficit and triggering rising demands for protection.

The Democrat-controlled House of Representatives has weighed in with its own program. The farm provisions of trade legislation, approved by the House by 285 to 115 votes last week, would increase costly export subsidies and curb imports of products ranging from beef to honey and roses. Both approaches have substantial support among farmers. "Like any industry, agriculture is for free trade as affects exports, and protection as affects imports," said John A. Schmittner, a Washington-based agricultural consultant.

The Administration has already struck at the Europeans in a dispute that threatens to be the sharpest Atlantic trade conflict of the postwar era. President Reagan has set curbs on imports of wine, beer, fruit juice, cheese, chocolates and other products in retaliation against European restrictions on American soybeans and wheat.

The European action was triggered when Spain and Portugal, both with important agricultural economies, joined the European Community, meshing their import machinery with the Common Agricultural Policy, which the United States has long branded as protectionist. As a result, sales of American wheat and soybeans to Spain and Portugal are threatened by quotas and tariff barriers. However, the new restraints are to take effect gradually and both sides arranged their actions so the effects on trade would not be felt immediately. They stepped back from the brink to give negotiators another chance; peace talks will formally open in Geneva this week.

Friction With Canada

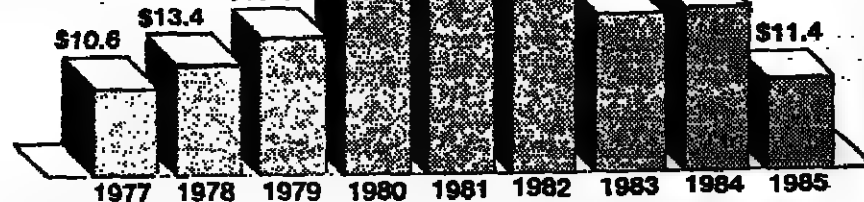
In Asia, Washington is pressing Japan, which is already the American farmers' biggest customer, for greater access for a number of American products. They include grapefruit, walnuts, pistachios, beef, tobacco and wines. In addition, last year's farm legislation permits the United States to subsidize exports of rice, creating serious problems for Thailand, which is the world's top rice exporter as well as one of Washington's staunchest allies in Asia.

Prime Minister Brian Mulroney of Canada was described as "furious" last week when President Reagan approved stiff tariffs on some Canadian lumber products. Middle Western states have also banned imports of Canadian hogs and beef, and Maine authorities have accused Canadians of subsidizing potatoes. Across the border, Ontario corn producers want Canadian authorities to impose a countervailing duty on imports of American corn. The Canadians object to provisions of last year's farm legislation that would make up losses for American farmers who cut export prices.

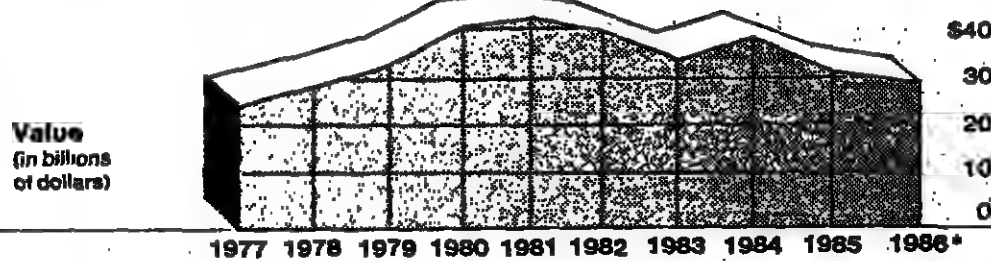
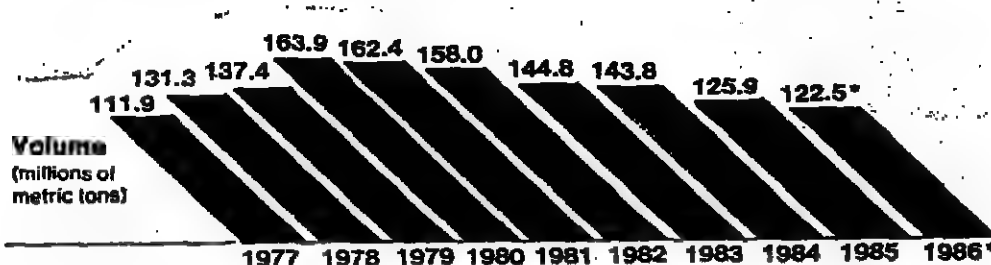
The House Votes for Export Subsidies and Import Curbs

Rise and fall

U.S. trade surplus in agriculture (fiscal years, in billions of dollars)



U.S. farm exports



Corn, wheat and soybean production (in millions of metric tons)

	Corn		Wheat		Soybeans	
	U.S.	World	U.S.	World	U.S.	World
1976	160	354	58	221	42	68
1977	165	383	45	384	35	59
1978	185	390	47	447	48	73
1979	201	421	48	424	51	77
1980	189	404	42	443	42	64
1981	205	436	47	448	49	81
1982	209	438	48	479	54	86
1983	108	346	31	491	50	84
1984	195	457	43	515	48	83
1985	225	480	47	508	51	91
1986*	192	464	43	510	58	90

*forecast

Source: Department of Agriculture

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The Curse Of War

There is no more beautiful ceremony here in the flowering spring than the decoration of the graves in Arlington National Cemetery on the banks of the Potomac. It lies on a slope between Robert E. Lee's modest house at the top of the graveyard and Abraham Lincoln's memorial on the other side of the river — the symbols of reconciliation — with the Pentagon a few thousand yards away, and a new commercial city crowding it on the Virginia hill.

There is a quiet procession this weekend from Cathedral Hill and Capitol Hill — the sacred and the profane — to honor the dead. But there are some things we forget to remember, including the causes and curse of war. We forget that 14 wars are now in process: in Afghanistan, Angola, Cambodia, Ethiopia-Somalia, El Salvador, Guatemala, Iran-Iraq, Lebanon, Mozambique, Nicaragua, Peru, Sri Lanka, Uganda and the Western Sahara. The human suffering of these struggles is beyond our knowledge or belief.

The people who keep a record of these disasters don't count the outrages of South Africa, or the wars of terror, or the hidden massacres of tribal conflict. But adding it all up as best we can, it's clear that this is the most violent century in human history, not only between the nations, but in the murders in our streets.

Memorial Day, or Decoration Day, as it was originally called, was established in 1868. Since then there have been 271 wars, accounting for the deaths of at least 88 million people — and God knows how many more.

In this century alone, there have been 207 wars, taking about 50 million lives in the two world wars alone, more of them from the Soviet Union than any other country.

This is the unresolved problem. President Woodrow Wilson justified U.S. intervention in the First World War on the ground that it was "a war to end all wars." President Franklin Roosevelt, confronted by isolationist sentiment, tried to evade Hitler's effort to dominate the Western world until the Japanese destroyed the American fleet at Pearl Harbor.

But the nations are still trying to deal with the strategy of theoretical future wars in outer space rather than the practical causes of present conflicts here on earth.

Consider the news here in the week before Memorial Day. The Pentagon was publishing its opposition to the Contadora proposals for peace in Central America; the State Department was condemning the Pentagon's opposition, and the White House was saying there was no conflict between them.

The Secretary of Defense was in Europe arguing for a new "family" of nerve-gas weapons; the President was saying that all was well abroad and that nobody need be hungry at home unless they weren't smart enough to know where to get a handout.

Give us this day our daily tranquilizer, and deliver us from evil, for mine is the kingdom and the power, and the glory.

There is obviously a conflict here in this lovely valley by the Potomac about how to honor the dead, and it's a honest conflict among the mourners.

The White House calls on the men on National Cathedral hill on Memorial Day to pray over the graves, but denounces them and other church leaders

From Lincoln, a spirit worthy of emulation on Memorial Day

for their efforts to control the arms race. And the Administration's people are joined by men of equal sincerity who come down from Capitol Hill and the Pentagon believing not in the power of the spirit but in the power of missiles, called "peacekeepers."

Lincoln on one side of the river and General Lee on the Virginia hill, having rested military power in the Civil War, came finally to believe in the spirit of moderation and reconciliation, and the importance of compromise.

"I would save the Union," Lincoln wrote to Horace Greeley, in a famous letter we also forget to remember.

"If there be those who would not save the Union unless at the same time save slavery, I do not agree with them."

"If there be those who would not save the Union unless at the same time destroy slavery, I do not agree with them."

"If I could save the Union without freeing any slave, I would do it; and if I could save it by freeing all the slaves, I would do it; and if I could save it by freeing some and leaving others alone, I would also do that."

"I shall correct errors when shown to be errors, and I shall adopt new views so fast as they appear to be true views. I have here stated my purpose according to my view of official duty; and I intend no modification of my oft-expressed personal wish that all men everywhere could be free."

This is a theme and a clarity of purpose and modesty worthy of emulation on Memorial Day, and explains why Lincoln's memorial still shines along the river.

By Irving R. Kaufman

Our judicial system has come a long way since the age of Solomon, when justice was meted out by an omniscient judge based upon his intuitive feelings of fairness. Today, the Federal judiciary is a well-oiled machine that depends on thousands of support personnel to justly resolve disputes. This sophisticated apparatus safeguards the liberties vouchsafed us by the Bill of Rights, reviews legislative decisions that affect our lives and protects the community from terrorists and mobsters.

The recent passage of the Gramm-Rudman-Hollings legislation and its mandatory spending cuts, however, threatens to disable the delicate structure of our Federal court system. The judicial tradition of providing justice on an individualized basis is now jeopardized by these wholesale cuts.

The judiciary, which in other respects is co-equal with the other two Government branches, receives only one-tenth of one percent of the Federal budget. It now has been legislatively instructed to reduce its total spending by 4.3 percent. This budget reduction translates into a \$42 million loss to the Federal courts. And this

Irving R. Kaufman is a judge of the United States Court of Appeals for the Second Circuit, where he has served as Chief Judge.

cold figure assumes frightening significance when viewed in perspective.

A summary of some causes for concern is in order:

The availability of court-appointed lawyers has been curtailed, seriously impeding access by indigents to their "fair share" of justice. Federal public-defender offices will also experience similar cutbacks. And despite the increased threat of violence from terrorists and organized criminal groups, the security personnel in the Federal courts — where the arraignments and trials occur — will be reduced by 127 positions. Reductions in jurors' stipends are also on the drawing boards. Moreover, as the public turns in ever-increasing numbers to the Federal courts for relief, the expansion of building facilities has been halted. Funds for library facilities in courthouses also have been frozen.

To make matters worse, if these initial cuts do not produce the mandated savings, the Federal courts will have to impose even more drastic measures. Civil jury trials may be de-

Damage from mandatory budget cuts

played for three months, adding to backlogs and causing incalculable losses for litigants awaiting adjudication of their rights. Yet another emergency plan calls for a temporary furlough in September of all nonjudicial employees in the Federal court system, threatening the continuity of the judiciary's indispensable support personnel.

The debilitating effects of these actions cannot be overstated. Between 1980 and 1985, the number of nonjudicial court employees nearly quadrupled — twice the rate of growth in the number of Federal judges — because, to a large extent, the Federal court system has coped with its burgeoning caseloads by increasing the size of its support staff. If an appreciable number of bankruptcy judges, magistrates, court executives, staff counsel, law clerks and secretaries were to be dismissed, the court system would be crippled. The justice this country expects and deserves would be severely impaired.

These plaintive cries may appear selfish at a time when every Federal agency is clamoring for a larger — or at least sustained — piece of a shrinking pie. My point, however, is that while a fixed and undifferentiated spending cut is politically attractive, the results as applied to particular, real-life situations — which affect our lives differently — may be disastrous. Budget reductions in the judiciary affect not only the lives of court personnel but also the quality of justice meted out by courts throughout the nation.

During my 36 years on the Federal bench, I have been deeply involved in numerous reforms aimed at increasing the efficiency of our courts and improving the quality of the justice we dispense. Such reforms, however, demand careful consideration to insure that the rights of litigants are preserved. In 1974, for example, I instituted the Civil Appeals Management Plan, which encourages settlement, where appropriate, among litigants before they undertake the expense of lengthy appeals in the Federal courts. The plan has been remarkably successful in reducing costs for the court as well as for the litigants, and resolving disputes to the greater satisfaction of both parties.

But the success and durability of that project is directly traceable to the careful planning that went into it. The impending ravages of Gramm-Rudman-Hollings and similar spending reduction plans afford the judicial branch no such luxury.

While the courts should not be immune from the new austerity, unthinking slashes in court budgets will result in shortfalls in justice. One must tailor reform to the individual case. The "broad-brush" method is antithetical to the maxim of individualized justice. If Congress abdicates its duty to manage the budget responsibly, the judiciary may be deprived of its ability to function properly. When that happens, everybody loses. The Federal courts are down to the bone. Robot-like budget cuts imperil the system.

FOREIGN AFFAIRS Flora Lewis

The Cost Of Broken Promises

There is further deterioration between the Reagan White House and Congress. The coming Congressional elections are one reason, particularly on the protectionist trade bill.

It is a lot easier to woo voters by promising to cut imports that cost American jobs than it is to explain how many jobs would be lost in export production as a result of inevitable retaliation by trading partners. President Reagan has given politicians some powerful lessons in the effectiveness of offering simple answers to complex issues, regardless of foreseeable implications.

But the November elections aren't the only reason for the hard squints directed from the Capitol toward the White House. There has been a history of compromises arranged, and then reneged, of promises made and broken.

Among clear-cut examples are the policy on Nicaragua, missile development plans and arms control. There are others more ambiguous, such as policy in El Salvador and Honduras, which nonetheless erode the patience of politicians who think they made a tolerable bargain and then come to feel cheated.

In the spring of 1983, after Congress had made clear it would not go for the Administration's plan to build 200 new MX missiles with 10 warheads each, the President endorsed the recommendations of the Scowcroft Commission.

Gen. Brent Scowcroft headed a group to study the strategic needs for the future. It concluded that the long-advertised "window of vulnerability," which the MX was supposedly required to lock shut, did not exist. The real problem, the report said, was that by piling multiple warheads on ever-bigger missiles, the U.S. was reducing the number of targets for Soviet attack and making a pre-emptive strike more tempting for Moscow.

The report urged a new direction, building smaller, mobile missiles with a single warhead that would have a better chance of surviving. It also recommended smaller missile submarines, for the same reason of survivability. As a compromise, it also recommended 100 MX's.

Skeptical, but seeking to avoid an impasse, Congress accepted, though it has limited MX authorization to 50, plus spares for testing. But the Pentagon dragged and dragged on plans for a one-warhead missile, the Midlegman. Now, three years later, it is being reassessed once again. Proposals have been aired to make it bigger and heavier, so much that it would hardly be mobile.

A ban on mobile missiles altogether was slipped into the formal U.S. negotiating offer at the Geneva arms talks. Nobody expects the Russians to accept, but General Scowcroft is convinced the U.S. would have to reject it if they did. The Midlegman has evidently been shelved, in favor of the late John Foster Dulles' old recipe of "a bigger bang for a buck," which got the nuclear arms race cranked up in the first place.

The people who went along with the Scowcroft compromise feel betrayed. They are loath to say so in public, but they look closer when any new deals are suggested. The whole principle of reshaping strategic forces so as to correct the dreadful 1960's mistake of

Congress has come to feel cheated by the White House

multiple warheads seems to have been abandoned, without even an explanation.

On Nicaragua, the Congress was chivied into voting \$27 million of "humanitarian aid" for the contra rebels in return for an Administration promise to launch negotiations for a cease-fire with the Sandinista Government. The U.S. has refused negotiations, shifting to the position that the Sandinistas must first make agreements with the contras.

And now the White House is asking for \$100 million for the contras this year. The argument is that "pressure" must be kept on the Sandinistas to get them to negotiate. Meanwhile, Washington is leaning on the other Central American governments not to accept the Contadora group's draft treaty, which would ban outside military help from Cuba, the Russians and their allies for the Sandinistas as well as from the U.S. for the rebel contras.

There are differing opinions on Capitol Hill about whether the broken promises reflect continuing fights within the Administration that the President's pledge of decisions failed to quell, or whether there was no intention of keeping the promises in the first place. Either way, there is a sour aftertaste.

The Administration often argues that it is risky to make agreements with Communist governments because they can't be trusted to keep their word. Credibility is a serious matter within Washington as well. Broken promises have a cumulative cost, also inside the U.S. Government.



Syria Is Playing a Dangerous Game

By Ze'ev Schiff

There has been much talk in the last few weeks about the possibility of another Middle East war, between Israel and Syria. As an Israeli citizen and longtime observer of the military situation in the Middle East, I have no doubt that Israel would go to war immediately if that were necessary — in response to a major terrorist attack or other provocation — but I myself do not believe that Israel would initiate a confrontation or that it is planning a war.

The are, certainly, reasons for concern — above all, that Syria is moving with steady deliberation toward strategic parity with Israel. The Syrian military has been greatly strengthened in the last few years, with help from Moscow, and the regional balance of power has shifted somewhat in Syria's favor since the war in Lebanon in 1982. Many Israeli strategists now argue that Israel made a serious mistake in Lebanon — that we should have attacked the Syrians then, nipping their new power in the bud, rather than concentrating our efforts against the Palestine Liberation Organization in Beirut.

In truth, however, the Lebanon war may have taught Israel something about the possibility of co-existing

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with Syria. Our strategic approach toward Lebanon has changed considerably in the four years since. The expansionist doctrine that led us into that war has been discarded, and we have largely abandoned our involvement in Lebanon's internal strife. We recognize that Syria has legitimate interests in Lebanon and have no intention of interfering with them provided that our own security interests along our northern border are not jeopardized.

There have been renewed provocations recently, particularly on the terrorist front, and another incident like the attempt last month to plant a time bomb aboard an El Al Israel Airlines jet in London — particularly if it were successful and it were proved that Syrians were involved — could lead to full-scale war. So far, Israel has coped fairly well with Arab terrorism at relatively low cost to itself. Terrorism has been a nuisance, but it has hardly threatened Israel's existence. The London incident was different, however — as if Syria wanted to change the nature of the game.

What made it different? Two things. The attempt to blow up the El Al plane was, for one thing, the first Arab terrorist incident clearly designed to result in mass murder. There is no other way to describe a plot to plunge a full aircraft, and 400 passengers, into the ocean.

But the Syrian involvement also seemed different this time. Normally, the Syrians operate through agents: they shut their eyes to terrorist operations by Syrian-based organ-

izations led by Abu Nidal and others, who receive Syrian financial and military aid. This time, however — for the first time since 1973 — it seems that Syrian intelligence was directly involved. Israel was not alone in making this discovery. British intelligence had a hand in it, and three Syrian diplomats were consequently expelled from Britain.

Why would the Syrians get involved

What is behind the provocations?

In such an operation? Why would they risk the obvious consequences of such a provocation? There can be only two explanations. Someone in Syrian military intelligence may have initiated the operation without the approval of President Hafez el-Assad. On the other hand, the preparations may have been carried out with his knowledge — and with a clear understanding that Israel would have no alternative but to strike back. In other words, whoever gave the order to proceed with this act may have been fully aware that it could lead to war.

That, certainly, would explain the preparations for war going on in the Syrian army and among Syrians in general. President Assad is too clever and experienced to expect any Israeli

leader — no matter how moderate — not to respond to such an act with a significant military strike. The escalations that led to the Six-Day War and the Lebanon war began with lesser provocation. In such a situation, war can become inevitable even if one party would prefer to avoid it.

The Syrian military buildup in the Bekaa Valley — particularly the surface-to-air missiles that have forced Israel to stop reconnaissance flights there — could give rise to a similar situation. I myself believe that this is a defensive deployment — Syria's reaction to its experience in 1982. But why now? And why did Damascus go ahead despite opposition from Washington? Besides, why should the Syrians build their new positions on Lebanese territory, so close to the Israeli border?

Damascus has every right to defend itself against a possible Israeli move through the Bekaa Valley, but there is no good reason for Syria to advance its position southward to the Israeli border, where we have our own legitimate security interests. The two countries' front lines are very close in this area, where — unlike the Golan Heights — they do not have a security agreement and where terrorist groups such as the Hezbollah operate without restraint.

Virtually no one in Israel wants a war with Syria now, but we cannot answer for the mishaps and runaway escalation that could so easily take place today in the hair-trigger standoff between Israel and Syria.

If Mr. Waldheim Were Cross-Examined

By Alan M. Dershowitz

There's a middle ground approach to the Kurt Waldheim affair that promises to break the logjam over whether the former Secretary General of the United Nations was or was not a war criminal.

Mr. Waldheim's supporters argue that the newly uncovered documents do not, by themselves, establish that he participated in atrocities. His opponents argue that the documents place him so close to the scene of the

Alan M. Dershowitz is professor of law at the Harvard Law School.

crimes that he must have been complicitous.

Both sides seem to be assuming that the documents are both the beginning and end of the available evidence. As any experienced lawyer knows, documents alone rarely make a case. But they do provide the basis for further questioning. An effective cross-examiner armed with information contained in these documents could pose pointed questions to Mr. Waldheim. It is difficult for a witness to be evasive, forgetful or mendacious when confronted with contemporaneous documents in his own handwriting. Some witnesses can, of course, deflect even the most probing of questions, but in the process other facts are almost certain to emerge.

If the citizens of Austria really want to learn the truth about their currently favored presidential candidate, they should demand that he submit to vigorous cross-examination by an independent counsel before the election.

The documents certainly provide reasonable cause for further inquiry. If Mr. Waldheim refuses to submit to a fair questioning procedure, then the voters should assume he has something to hide. This is not, after all, a criminal proceeding. He could not plead self-incrimination (even if Austria had a variant of our Fifth Amendment, which it does not).

In a democratic society, a presidential candidate, unlike a criminal defendant, refuses to answer relevant questions at the risk of political rejection.

These questions are sometimes posed at press conferences or in parliamentary debate, but the charges here are more suited for a judicial-type inquiry. Such an inquiry could be conducted under official auspices or in an academic or journalistic setting.

The form is less important than the opportunity for further inquiry. The Austrian voters and the world at large have the right to know whether Mr. Waldheim would be willing to submit to systematic questioning based on the newly discovered documents. And they have a right to know how he would now answer the difficult questions about a shadowy past that he succeeded in hiding until the new documents were uncovered.

Comedy of Clashing Cultures

By LAWRENCE VAN GELDER

The research scientist and a good artist — in a way they're doing the same thing," says Peter Wang. "The only difference is that for a scientist, the result has to be repeatable. For an artist, it's a no-no."

Mr. Wang is qualified to speak on science and art. As a scientist, the Peking-born, Taiwan-raised Mr. Wang holds a doctorate in electro-optics — "That's a fancy name for lasers," he says — from the University of Pennsylvania. He is a former employee of I.B.M. and a former member of the faculty of the College of San Mateo in California and of George Mason University in Fairfax, Va., where he was an associate professor in the physics engineering department.

But Mr. Wang is also an actor (the wacky cook in "Chan Is Missing") and a film maker whose latest effort, "A Great Wall," billed as the first American feature to be shot in China, is scheduled to open Friday at Cinema Studio 2.

"A Great Wall" is a comedy of cultural encounter — about a Chinese-American family, the Wangs, (China-born father Leo, American-born mother Grace and very American son Paul) who journey to Peking to stay with the Chao — Leo Fang's sister, her husband and their daughter, Lili.

"A lot of Chinese-Americans went back to mainland China after the Nixon breakthrough," says Mr. Wang, who not only directed "A Great Wall" but also co-wrote its script and plays the role of Leo Fang. "I went back a few times, plus a lot of my friends. And then we all shared these anecdotes, hilarious, funny, funny stories."

"You meet your sisters or brothers or relatives. They ask you some funny questions. Do you drive a car in the United States? Do you drink that kind of black water [coffee] every morning? Some ask you which vehicle travels faster, a locomotive or an airplane. You tell them, sure, an airplane. They say, I don't believe it — just count how many wheels a locomotive has. It's just funny, naive and heartwarming."

But Mr. Wang understands also that Chinese-Americans can be naive about China. "I said I can come up with a comedy that plays with these two cultures encountering each other, and it should be a good comedy," he says. "That is the real story of the film I started to write."

But behind the comedy he created with Shirley Sun, the film's producer, there are serious concerns. "I wanted to create an image in the film about Chinese-Americans," Mr. Wang says, "that they are professionals — engineers, physicists, architects, all those kinds of people, which is a fact of life. In the States, there are thousands and thousands of them, but we don't see these kinds of Chinese-Americans in films or on television. All the Asian and Chinese characters on film are waiters and laundrymen."

On screen, Leo Fang becomes free to journey back to China when he quits his job as a computer engineer in Silicon Valley after being passed over for a promotion because of his ethnic background. "I personally experienced that, and a lot of my Asian friends did," Mr. Wang says.

Once in China, Mrs. Fang and Mrs. Chao compare notes about fashion and makeup. Mr. Fang and Mr. Chao, a retired member of the Communist cadre who is considerably older than his wife, compare notes on women and children, display different concepts of exercise and get drunk together. Paul Fang hones his Ping-Pong skills and enjoys the company of his cousin Lili and finds himself pitted in a championship Ping-Pong match against a young man who not only regards Paul as a rival for Lili but, like her, is facing the big examinations that determine who will receive a college education and a chance at advancement in life.

The climactic match reflects not only Mr. Wang's personal enthusiasm for sports but his feelings about winning and losing. "I want the American boy, Paul, to lose the game," he says. "However, through losing the title he actually won the war. That's my

'With film,' says Peter Wang, 'the writer discovers new art, new feelings, new ideas he can convey.'

personal opinion. That's one kind of Americanism I still find hard to swallow — that you have to be champion, you have to be No. 1.

"In the process of making yourself No. 1, the end result is that everybody is the loser, including yourself, because you cannot be No. 1 all your life. Eventually you'll be beaten. Once you think you're No. 1, you become provincial. You become self-centered. You become less aware of what's going on, which is exactly what China experienced."

"The word 'China' means the middle kingdom. That means the Chinese people think they're the center of the universe. Of course, if you're the center of the universe, you're No. 1. Then, you see, it's ironic, because China has been thinking she has been No. 1 for thousands of years. They are definitely not No. 1. If you had a computer ranking, they're lucky if they're No. 16. I think

the No. 1 syndrome is a very bad dosage. What I'm trying to say — maybe it's a little corny — maybe you learn more, come to a better awareness by losing the battle."

Mr. Wang's penchant for metaphor extends beyond Ping-Pong matches to a scene where the young Chinese man shows off his English to Lili by reciting a portion of Lincoln's Gettysburg address in Yuan Ming Yuan park, the ruin of a Western-style palace designed by a Jesuit priest and built during the 19th century by a Qing emperor.

But in the 1860's an Anglo-French army marched into Peking, put the park to the torch and ransacked the treasures. "So I took these youngsters there, delivering the Gettysburg Address, to indicate another round of modernization, Westernization," Mr. Wang says.

Mr. Wang cast his American family — Sharon Iwai as Grace Fang and Kelvin Han Yee as Paul Fang — with actors he knew from his days in community theater in San Francisco. The young Chinese actors were chosen on the basis of auditions. Lili (Li Qinqin), he says, is a hospital registrar, and Paul's Ping-Pong rival (Wang Xiao) sells tickets in a movie theater. But Hu Xiaoguang, who plays Mr. Chao, and Shen Guanglan, who plays Mrs. Chao, are both professionals. The former, Mr. Wang says, works in the Chinese Army studio, where he plays political commissars and high-ranking officers who make patriotic speeches. "He never played any comical roles," Mr. Wang says. "This is the first one." The latter, he says, has been playing dragon ladies and Madame Chiang Kai-shek. "What a waste," Mr. Wang says. "She never played a regular housewife."

Mr. Wang says that aside from using a different language, there is no difference between directing Chinese and American actors.

Buried in the film are a few comments that he says disturbed some Chinese officials. Mrs. Chao observes that you must never disagree with your leaders. Some Chao neighbors observe that retired high Government officials have everything. And Paul makes a comment that indicates that Government officials disapprove of any traces of Westernization among the Chinese young people.

This may explain why Mr. Wang is still waiting to hear if "A Great Wall" will be distributed in China.

In the meantime, Mr. Wang, who gives his age only as "over 45," is working on a new script. The youngest of seven children of a Nationalist Chinese Government official who became a professor of Chinese literature at Taiwan Normal University, Mr. Wang studied electrical engineering on Taiwan.

"That was my family's idea," he says. "Ever since I can remember I wanted to be a funny man." After finishing his graduate work at the

Arts & Leisure



The writer and director Peter Wang and Hu Xiaoguang in a scene from "A Great Wall," about a Chinese-American family visiting relatives in Peking.

University of Pennsylvania, he moved to San Francisco, where he worked for I.B.M., later taught and became involved in community theater. That led to his role in "Chan Is Missing," to the male lead in a film made in Hong Kong and to his making a couple of documentaries with Miss Sun, including one shot in Peking.

Mr. Wang's new script is titled "Laser-man" and deals with a scientist facing the realization that his research project, involving the development of a deadly weapon, has been funded by international conspirators.

Mr. Wang says he made the decision in 1983 to resign his professorship and devote himself to making films. "Film is very challenging to me," he says. "It is still very young, a new art form. You can do so much — you can really convey a lot of things through this medium. I think it is just like scientific research."

"As scientific research progresses, we have new tools, new inventions, new tech-

niques that help us to find more truth. Maybe people don't care about it. But to me that's very important. In the field of elementary particle physics, the more advanced technology you have, the more basic particles you discover. I think in the world of art there is a similar situation.

"We write, we paint, we compose music, and then there is this new technique called film. You take the writer; with this, he discovers new art, new feelings, new ideas he can convey."

"I find this amazing."

Graham Returns to Her Roots

By JACK ANDERSON

I don't believe in nostalgia," Martha Graham insists. Ever creative, she is offering two premieres during her company's 60th anniversary season, which begins Tuesday at the City Center. Yet she is also rolling back time with six important revivals — made possible through a combination of research and good luck — that will allow dancers to trace the course of her choreographic development.

All of these works to be revived are more than 50 years old. Three solos among them derive from Denishawn, the Los Angeles-based school and company, founded by Ruth St. Denis and Ted Shawn in 1915, where Miss Graham enrolled for her first dancing lesson a year later. Denishawn is often described as the cradle of American modern dance, for it produced such innovative choreographers as Miss Graham, Doris Humphrey and Charles Weidman. Eclectic in its training methods, Denishawn specialized in exotic works that frequently combined idealistic subject matter with lush theatrical trappings. The Denishawn revivals will be danced at City Center by various members of the Martha Graham Dance Company.

But the engagement will show more than simply the influence of Denishawn on Miss Graham. It will also reveal how she gradually stripped decorative elements from productions to create a form of dance that would truly be, as she puts it, "the landscape of man's soul."

The oldest revival to be presented is "Incense," a solo choreographed by St. Denis in 1906. Other rarities include Shawn's "Serenata Morisca" (1916), the only solo known to have been danced by both Martha Graham and Doris Humphrey, and Miss Graham's own Denishawn-influenced "Tanagra," which she offered at her debut concert as a choreographer in 1925.

The other three works to be revived were created during the decade that followed "Tanagra," when Miss Graham discarded Denishawn's exoticism to create stark, angular dances that astonished audiences. Two solos — "Lamentation" (1930) and "Frontier" (1935) — have been frequently revived. But "Heretic," a group work from 1928, has not been performed since 1931.

In addition to Miss Graham, the people who have assisted with the revivals include Ron Protas, the company's general director and associate artistic director; Linda Rhodes, another of the company's associate artistic directors; and Jane Sherman, a former Denishawn dancer who has become that institution's historian.

When Mr. Protas suggested that Denishawn revivals might be appropriate for an anniversary season, Miss Graham, who is now 82, was initially skeptical because she wondered how they might look to audiences today. She eventually gave her consent because she feels that too many people today underestimate Denishawn in general — and Ruth St. Denis, in particular.

Miss Graham's first encounter with Denishawn was a moment of destiny. Recalling the incident recently, she said, "You don't choose, you are chosen — or you can negate the moment and regret it the rest of your life." In 1911, as a 16-year-old in Santa Barbara, Miss Graham saw a poster announcing a concert in Los Angeles by St. Denis, who had not yet met — or married — Shawn. She went with her father to that performance and was impressed both by the statuesque St. Denis and by what she terms the concert's "ritualism and absolute professionalism."

Miss Graham entered the Denishawn school in 1916 and fell under the spell of St. Denis's charismatic personality. A seasoned trouper with a love of religion and mysticism, St. Denis was insatiably curious about church services of all denominations and, during Denishawn tours, Miss Graham had to accompany her teacher as she dropped in upon as many Sunday services as possible. Miss Graham recalls that, after witnessing the clergy and congregation in a particularly drab ceremony at one house of worship, St. Denis sighed, "Until they put some theatricality into it, they'll never go far."

St. Denis was always theatrical. She was particularly adept in the manipulation of fabrics and veils on stage, often treating a piece of fabric as if it were a dancing partner. Miss Graham has been equally ingenious in her own use of fabrics. "I was evidently born with the knack for Denishawn veil work," she says. "For it was one part of our training that never gave me trouble." St. Denis was also an agile performer. Although Miss Graham does not remember her ever leaping high, St. Denis "could kick the back of her head," Miss Graham says. And St. Denis had an arm ripple that Miss Graham calls "one of the treasures of the world: it went from the spine through the entire body and it was in touch with the vibrations of the universe." The ripple was memorably employed in "Incense," a solo showing a woman contemplating burning incense that St. Denis continued to dance for decades. Its original one-word title was often modified to become "The Incense."

St. Denis was filmed performing that work in documentaries made in the 40's and 50's, when she was in her 60's and 70's. Miss Rhodes and Mr. Protas suspect that people who know the dance only from film may be surprised by the revival, for St. Denis, who died in 1968, tailored the choreography of "Incense" to disguise her technical limitations. According to

Miss Rhodes, the revival evokes the younger St. Denis Miss Graham knew. "The backbends are deeper," Miss Rhodes says, "the gestures are larger and the dancer's sari is tighter and shorter than the one in the films."

As for "Serenata Morisca," Miss Sherman considers this solo to be "the seminal dance from which Martha's career stemmed" because it both gave her prominence at Denishawn and, later, helped her get a job in the Broadway theater. Yet this lively work in the Spanish-Moorish style was choreographed by Shawn simply as a classroom exercise.

To develop versatility, Denishawn instructors would teach sections of dances in various styles at the end of a class. Most accounts state that Miss Graham learned "Serenata Morisca" in Shawn's classes. Miss Graham, in turn, says she learned it on her own because she was a teacher of children's classes at the time and Denishawn's directors did not like its faculty members to be also enrolled as students in other classes. But regardless of how she learned the piece, Miss Graham pleased Shawn with her mastery of it and he allowed her to dance it in public in 1921. (Earlier, in 1918, it had been publicly danced by Betty Horst, wife of the composer Louis Horst; Doris Humphrey first danced it in 1925.) John Murray Anderson, producer of the "Greenwich Village Follies," saw one of Miss Graham's performances and was so impressed that he invited her to perform it in the 1923 edition of his revue. She never returned to Denishawn.

"Tanagra," inspired by ancient figurines of women found in the Greek town of Tanagra, was revived with the aid of an old amateur film. The film, made shortly after the premiere, showed Miss Graham dancing the solo on a lawn.

After "Tanagra" came the experimentation that led to "Heretic," a study of a lone woman struggling against a community of bigots united against her. This work was also revived with the help of an amateur film from the time of the premiere. The experimentation that led to "Heretic" was encouraged by Louis Horst who, Miss Graham says, was the greatest influence upon her choreographic development. Horst was the pianist at Miss Graham's first audition at the Denishawn school. Later, he composed scores for her (including "Frontier").

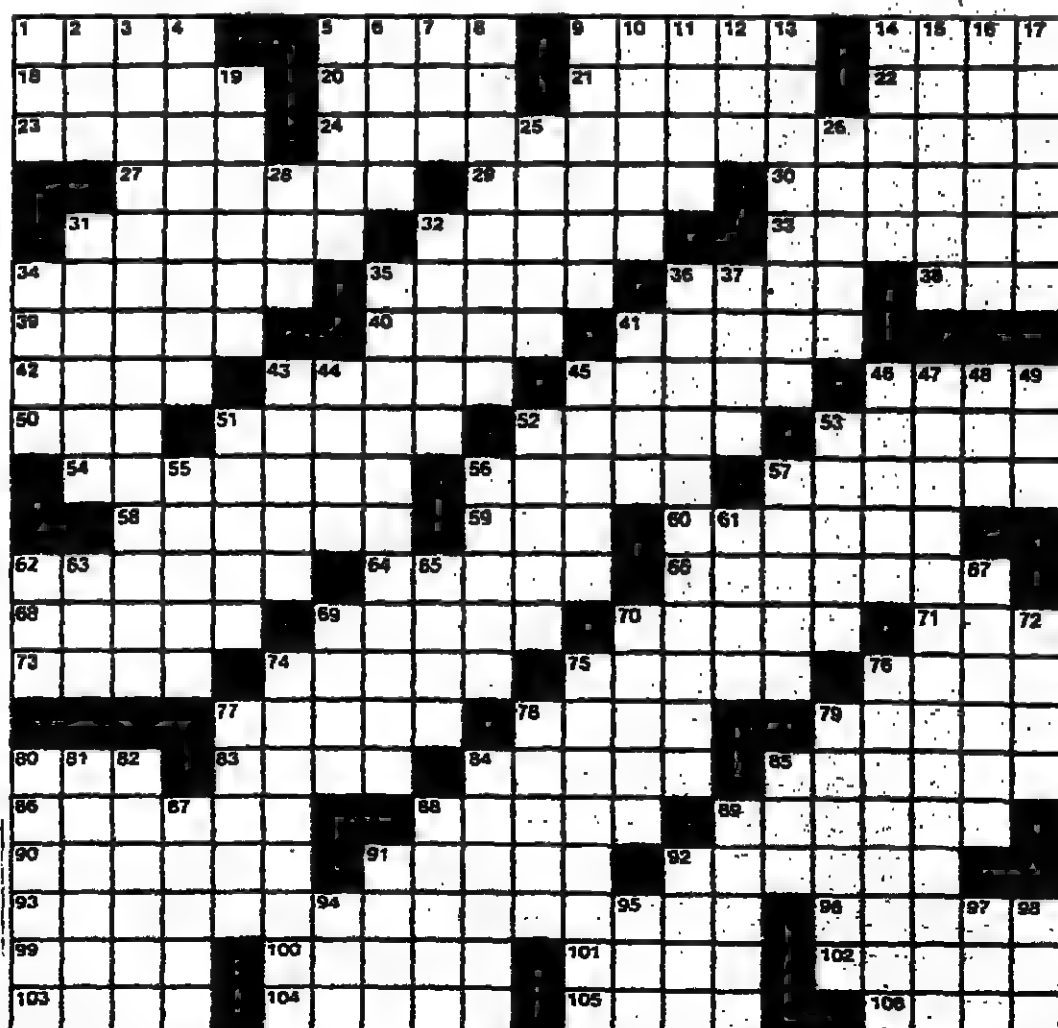
She remembers that when she occasionally exhausted her creative energies while working with Horst in the studio, she would stretch out on the floor and say, "Louie, play me the 'Maple Leaf Rag.' " Somehow, that cleared her mind and she was able to go on.

Choreographically, Miss Graham has always gone on. Her experiments have often been disconcerting. Nevertheless, she says, "I was not a revolutionary. I wasn't trying to shatter anything; I only sought to build.

Noteworthy Requests BY CORINNE J. NADEN/Puzzles Edited by Eugene T. Wladarsky

ACROSS

- 1 Cause to get riled up
- 5 Exact places
- 9 Instrument for Stern
- 14 Strawberry's field
- 18 "Gasoline"
- 20 Forthwith
- 21 Ascended
- 22 N.M. county
- 23 Bonnie's cohort
- 24 Barnum to Bailey after new act flops?
- 27 More like Leroy Brown
- 29 Debs request to workers
- 30 Long-haired movie star
- 31 Dennis the Menace
- 32 Scottish hillside
- 33 Remove from office
- 34 Town in Java
- 35 Connery et al.
- 36 Kind of ranch
- 38 Hosp. personnel
- 39 Unruly demonstrations
- 40 Konrad's epithet
- 41 Hi-fi buffs' concerns
- 42 Poker opener
- 43 Fashion
- 45 Walden and Golden
- 46 "Sustineo"



DOWN

- 1 Singer Davis
- 2 Not well
- 3 Armstrong to Apollo?
- 4 Join states
- 5 Kind of beam
- 6 Person who's sui generis
- 7 Kind of artist
- 8 Hardened
- 9 Army
- 10 Gear once used by Berra and Bench
- 11 Tennis great
- 12 Golf essential
- 13 Takes in
- 14 Noted German sculptor
- 15 Mooring rope or cable
- 16 Lasting a very long time
- 17 Funds and property, e.g.
- 18 Longs
- 25 Vacuous
- 26 Track strips
- 28 Nailing block
- 31 Tarnishes
- 32 Nautical time signals
- 34 Breakfast cereal
- 35 Patriots' fans to one another after Super Bowl XX?

IN THE MIDDLE

- 77 ... in the middle of them?
- 78 Geoduck, e.g.
- 79 Leftover cards after a deal
- 80 Basic cell mat.
- 83 Further
- 84 Cast light
- 85 In an offhand way
- 86 Jimmy's successor
- 88 Designer Bill
- 89 Poolside structure
- 90 ... Goes By ... 1931 song
- 91 Mansard and gambrel
- 92 Piercing
- 93 Message from a depressed dendrologist?
- 96 Romberg's "One"
- 99 Book by Stein and Plimpton
- 100 Tidal flood
- 101 Spring months in Paris
- 102 A natural in Reno
- 103 Decipher
- 104 Metal refuse
- 105 Tennis divisions
- 106 Sordid

ANSWER TO PREVIOUS PUZZLE

100 Tidal flood

Ben-G
Univer
the Ne
Board
Gover
Conve

THE EXTENT of British knowledge of the wartime activities of Austrian presidential candidate Kurt Waldheim remains something of a mystery.

Accusations of a "cover-up" have been made by various parties anxious to get at the truth, including the former president of the Board of Deputies of British Jews, Greville Janner, who has led the parliamentary campaign seeking to gain access to government papers relating to the war and post-war period.

Until two weeks ago most questions were stonewalled — the typical response from senior ministers being that all papers were already out in the open and none mentioned Waldheim.

However, when it was discovered that a number of British and Commonwealth prisoners of war in Greece in 1943 had been sent to their deaths in concentration camps after being questioned by Waldheim's unit, over 30 opposition MPs signed a motion asking the government to investigate further.

Now, belatedly, the government has agreed to check the wartime intelligence records of the Ministry of Defence. But as Leader of the House of Commons John Biffen told Janner, "That process will take some time." Janner fears the search will not be completed in time for the second and decisive round of the Austrian presidential elections on June 8.

Government papers are all subject to the thirty-years rule; that is, their contents cannot be revealed until 30 years have elapsed and even then only after a departmental committee of experts has reviewed the items to ensure that nothing sensitive emerges. Hoards of ex-civil servants and diplomats will soon be ploughing through the mountains of secret Foreign Office and Cabinet Office files relating to the Suez campaign, when at the end of this year papers relating to 1956 are due to be released.

THE WEEDING-OUT process for the World War II years and the period which included the war crimes investigations was completed by 1977, and it is understood that many files were completely removed and destroyed, the "experts" believing they would have no interest to anyone else.

What remains is a problem in itself. Thousands of detailed intelligence reports fill the shelves of the Public Records Office at Kew. They have over 80 kilometres of records and to scan just a few is a lengthy process. Researchers, historians and journalists all have to buckle to the system, which allows one to see only one file at a time and to order just two others until the first is returned.

Turning up with a well-researched list does not help. The system is guaranteed to defeat all but the most patient and even then, as a senior official admitted, trying to find even a

How much did the British know?

MPs campaigning for freedom of information find a wall of obstacles. Post London Correspondent Jerry Lewis reports on a heated debate.

reference to Waldheim's unit would be like seeking a needle in a haystack. Finding a mention of the man himself would be even less likely. And so it proved.

Three researchers, including this correspondent, spent a day attempting the impossible, to no avail. Many of the documents that may have been of interest just could not be found.

A sample list of the missing items was the subject of a written parliamentary question in the House of Commons earlier this week. Prime Minister Margaret Thatcher was asked why a large number of documents was missing and whether any of them referred directly or indirectly to Waldheim or his unit, Group E.

Her questioner, Janner, had also asked that he be allowed to see the items concerned. He got a firm "No" in response. Thatcher told him that they were in the category of documents which the lord chancellor (senior law officer in the government) was given powers in 1967 to retain, if they related to "security and intelligence matters." Thatcher added, "It is not the practice to disclose any part of the contents of such records."

To date, 56 MPs have signed a Commons motion calling on the government to investigate the circumstances by which two British prisoners of war, Fishwick and Sergeant John Dryden, were handed over to the Germans. Fishwick is known to have died in a concentration camp and Dryden disappeared without a trace.

The MPs, headed by former Labour home secretary Merlyn Rees, said that they wanted in particular to have information on the circumstances in which Waldheim allegedly initiated reports of the German army Group E in Salonika, recording the interrogation of the soldiers in question.

They listed a further six soldiers, including an Australian, whom they believe were interrogated by Waldheim, as he was the person listed as

responsible for prisoner interrogation. They have also called on the British government to investigate further any involvement by Waldheim in those cases or others where British troops were captured, interrogated and then killed.

THAT, for the moment, is the extent of the known "British connection" with Waldheim. He was not in the zone of responsibility that Britain had after the war, and it appears unlikely that he was questioned by British officers when the hostilities ceased in 1945.

Britain had no suspicions about his past when Waldheim's name was suggested for the vacancy as UN secretary-general in 1971. But they did harbour doubts about his ability. As a result, in the initial round of voting, the British permanent repre-

sentative at the UN, Sir Colin Crowe, cast his vote for one of the other candidates.

A Foreign Office spokesman emphasized that the vote was secret and they could not reveal details of how Britain voted, but *The Jerusalem Post* has been able to confirm that, at least in the first two ballots, the British vote was not placed in favour of the Austrian.

The reason, so it has been explained, had only to do with the relative abilities of the candidates and was not a reflection of Waldheim's past. His past did not arise, *The Post* was told.

Crowe confirmed this week that there were no signs of anything at the time to suggest Waldheim had a record that would put into question his candidacy for the post. He had subsequently proved himself as a good secretary-general, he added.

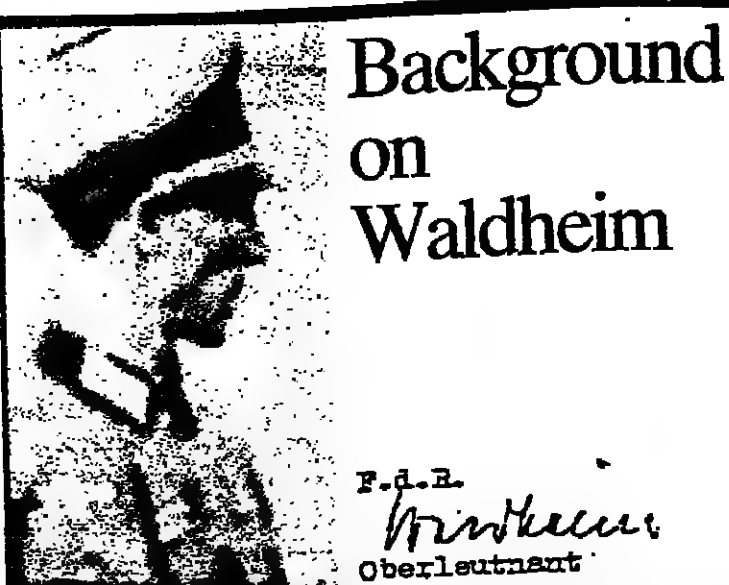
The last few weeks have seen an intensified campaign by MPs to get information from the British government. Initially, when Freeson asked the prime minister to authorize the release of papers relating to Waldheim, he was informed that all records of the Foreign Office prior to 1956 were "with a very few exceptions," available in the Public Records Office.

Thatcher admitted that certain categories of documents had been withheld by the Foreign Office, but that none of them "contains any material on this matter which is not public knowledge."

PARLIAMENTARY questions in the House of Commons are handled

in two distinct ways. Oral questions have to be submitted two weeks in advance and are drawn from a ballot. Those out first are likely to receive an oral reply. All subsequent questions automatically get a written answer, but in both cases there is a two-week wait.

Written questions, on the other hand, are dealt with usually within two days of being placed on the



Background on Waldheim

F.d.a.
Waldheim
Oberleutnant

"order paper." Freeson's question was a written question and therefore the prime minister's assurance — that none of the Foreign Office papers contained material not already public knowledge — must have been prepared before the question had even been tabled.

That would lead one to believe the government had already undertaken some form of check on the files, but, as was subsequently shown, there seems to be a clear case of "disinformation" on the matter. The stock answer given to Freeson was repeated to Janner two days later, when he asked if the papers hitherto withheld from the Public Records Office could be released if they contained references to Waldheim. Thatcher told him she had "nothing to add" to her previous reply.



British Prime Minister Margaret Thatcher... unanswered questions.

That same day, Janner asked House Leader Biffen for a statement on the issue, especially in consideration that British prisoners of war were involved.

Biffen replied curtly that he saw "no particular profit in having a debate or statement on that topic or getting involved in the controversies that now rage between the World Jewish Congress and the supporters of Dr. Waldheim."

That upset a number of opposition MPs, 32 of whom placed the motion on the House of Commons order paper that day, shortly after Biffen's refusal.

Janner persisted in the quest for the British files to be revealed. He asked the prime minister to seek copies from the UN of all items in their possession relating to Waldheim's wartime activities.

As Thatcher was at the time out of the country attending the Tokyo Summit, Biffen refused on her behalf.

This led to a further question to Thatcher, this time from non-Jewish Labour MP Alf Morris, who asked quite bluntly why the government was unwilling to obtain UN documents.

Thatcher told him that they had not hitherto requested access to UN files on Waldheim as "There appeared to be no direct British interest in the allegations made against him." But, she added, "In view of recent new allegations about the disappearance of British subjects in the Balkans during the Second World War, the Ministry of Defence was searching military records to see if they contained any information relevant in that context."

The chances are slim that anything will emerge till long after Waldheim could be elected and installed as his country's next president.

THE BRITISH Government, after an initial period of trying to play down the requests for information or

a debate, have conceded a search of military records. But this still leaves unresolved the questions relating to the other files, either in the public domain or still withheld, which may have further information.

Thatcher said in an earlier reply that none of the papers withheld by the Foreign Office contained material not already public knowledge. But as the days go by, more and more information trickles out of various sources implicating Waldheim in further wartime activities. Who is to know that nothing else is being held back?

And why the refusal to seek the UN files initially, and now at least until the Ministry of Defence files are checked? No one will dare say how long that process will take. The fact that, after just two days' notice, the prime minister was able to tell Freeson that the files were "clear" — but has now consented to a search — seems to indicate that not all of what the government knows has come out in the open.

As one observer put it, what will make the prime minister finally decide to check the UN files on Waldheim: if they find something in the military intelligence files or if they draw a blank?

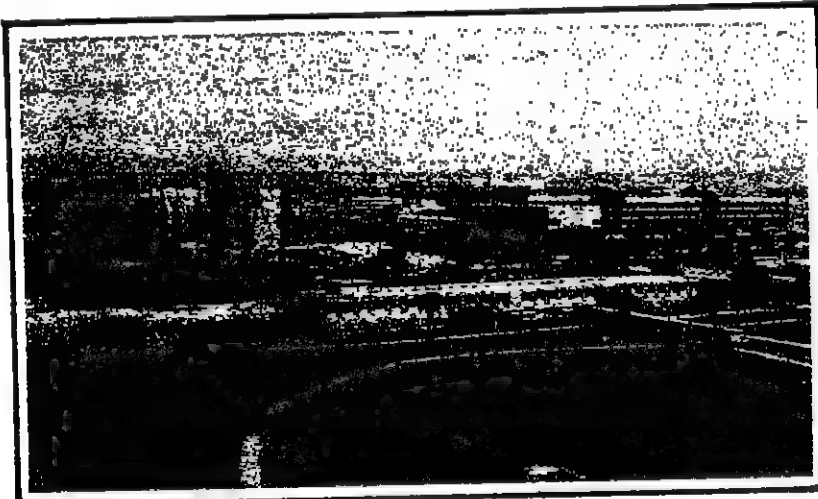
Maybe during her scheduled visit to Israel this week someone will ask her this very point. The call issued by the Knesset Foreign Affairs and Defence Committee to parliamentarians in other countries to assist in searching their files may be emphasized to her.

BRITISH MEDIA interest in the Waldheim affair has continued unabated. Lengthy television features were shown when the initial WJC allegations became public and especially in the run-up to the first election last month. British viewers were witness to the spectacle of Waldheim losing his temper and thumping the table in anger, when pressed during a BBC interview on his wartime activities. He strenuously denied the accusations, but the manner in which he did so left viewers with more questions than answers.

Janner told *The Post* that he is now getting "increasingly worried" about a "cover-up" in Britain. He has been approached by many parliamentary colleagues, who have asked that the matter be pressed further. He intends to do so.

It is understood that Britain is not even sympathetic to Israel's request for access to UN files. "Such matters should remain confidential," a senior official said. With that attitude and the visible lack of cooperation, the strong impression left is, "the less said (or revealed) the better." No doubt Waldheim and his conservative supporters would agree, and be thankful if the British inquiries do take their time and lead nowhere.

Ben-Gurion University of the Negev's Board of Governors Convenes



Beer-Sheva, May 26... The 16th Annual Meeting of the Board of Governors of Ben-Gurion University of the Negev convenes here today, with participants from Israel, Belgium, Canada, Denmark, Germany, Great Britain, South Africa, and the United States. During a week of ceremonies and consultations, the Board Members will prepare for the coming year. A special emphasis will be placed on evaluating the findings of the Academic Review Committee, with the goal of ensuring continued academic excellence in all faculties and institutions of Israel's youngest University. In addition, plans and programs for the imminent Ben-Gurion Centennial Year will be finalized.

Highlights of the 16th Annual Board of Governors Meeting

Sunday, 25 May, 1986

Ceremonies of the Canadian Associates: Dedication of the Ed and Marion Vickar Library in Social Work and the Herman Mahlerman Figurine Collection in memory of his mother, Mrs. Lina Mahlerman.

Monday, 26 May, 1986

Tribute at the gravesite of Paula and David Ben-Gurion at the Sede Boqer campus.

Visit of Great Britain's Prime Minister Margaret Thatcher and Israel's Prime Minister Shimon Peres to the Jacob Blaustein Institute for Desert Research, Ben-Gurion University of the Negev.

Presentation of Honorary Doctoral Degrees to:

His Excellency, Mr. Chaim Herzog, President of Israel
Dr. Abram L. Sachar, Chancellor Emeritus and Founding President of Brandeis University, USA
Dr. Steven A. Rosenberg, Chief of Surgery, National Cancer Institute, USA

Tuesday, 27 May, 1986

Concert performed by Arnow Family music scholarship students

Wednesday, 28 May, 1986

"Salute Our Benefactors" evening

Dedication of the Samuel Ayrton Sports Pavilion
Inauguration of the Irene Evers Chair in Inorganic Chemistry — Chair Incumbent: Prof. Dan Meyerstein
Inauguration of the Ben Zion Sundel Hersch Chair in Community Health and Primary Care — Chair Incumbent: Prof. Carmi Margolis
Inauguration of the Hyman Kreitman Chair in Bioenergetics — Chair Incumbent: Prof. Noun Shavit
Dedication of the Charlotte B. and Jack J. Spitzer Department of Social Work

Thursday, 29 May, 1986

Unveiling of the Founders' Wall and scroll-awarding ceremony for New Founders



BEN-GURION UNIVERSITY OF THE NEGEV



"MY JEWISH adventures began in 1968," says Jan Wale.

Wale, a journalist and historian of literature, took part in the protests and demonstrations Polish students staged against the Communist regime in 1968. He has been active in opposition activities ever since.

But why Jewish? Wale is not Jewish. He is a Catholic Pole. His German-sounding name is the heritage of an ancestor who immigrated to Poland from Switzerland in the 18th century.

Wale is one of those men and women in Poland whose lives are inseparably linked with opposition activities.

In the spring of 1968 Wale was a second year student at the Warsaw University. He was active in the student protests against political repression of the freedom of art and served as a member of the students' strike committee. The protests were clubbed down by the Polish police, and their leaders, including Wale, were arrested.

But 1968 was not only a year of academic unrest. It also witnessed the peak of an anti-Semitic campaign initiated by the Polish regime after the Six Day War. In the course of the campaign, Jews were removed from party and government posts. The purge was fuelled by the slogan of "anti-Zionism," which was hurled not only at the Jews but at the democratic opposition as well.

While it was true that a part of the leading opposition activists were Jewish, both they and their non-Jewish friends were involved in Polish politics without giving much thought to ethnic origin.

As for Zionism, hardly anybody in Poland knew what it was. This held true of the opposition, too. "We ran to see an encyclopedia to look up what Zionism meant," recalls Wale.

Battling the Polish regime

By WLADIMIR STRUMINSKI / Post Bonn Correspondent

The propaganda officials of the regime did not display much competence either, knowing that Zionism was good for Jew-bashing. At one of the anti-Jewish and anti-opposition demonstrations convened by the authorities an extraordinary placard was displayed, and shown on television. It demanded: "Zionists to Siam." When Wale was arrested the investigating officer asked him: "Why do you serve those Jews?"

Like other arrested activists, Wale was released from jail in the summer of 1968. The shared experience of opposition forged the "68 generation" dissidents into a distinct social group, which supplies leaders of the democratic opposition in Poland today.

A certain coexistence, on however unequal terms, between the regime and the opposition has developed. The regime harasses its opponents, even puts some of them in jail, but has refrained, until now, from measures brutal enough to put an end to their activities.

Wale has accumulated rich experience in the borderline existence between legality and illegality. During the first half of the 70s he was a contributor to the well-known Warsaw weekly *Polityka* which was undergoing a relatively liberal stage at that time. Later, he switched to

writing for underground opposition publications. After 1976, a year of severe worker unrest, Wale was active for the Committee for the Defense of Workers (KOR) which soon became the leading opposition body in Poland.

One constant of the regime's policy, however, is its custom to attack the opposition for its allegedly Jewish character. Thus, in 1978, the authorities staged a heavy anti-Semitic attack against KOR over a hunger strike in the Catholic St. Martin's Church in Warsaw. There were, to be sure, a few Jews among the protesters, as were Poles, young and old, former Communists and Catholics.

Asked about his political activity today, Wale declines to give details, commenting, tellingly, "This would be self-incrimination."

The years in opposition have sharpened Wale's sensitivity to the relations between Poles and Jews, as happened to many opposition activists. In 1968, the brutal clamp-down on the students under the flag of anti-Semitism, came as a shocking surprise to the protesting generation.

"At the beginning we were naive and thought that the police action was a misunderstanding. Later on, we understood, how things hang together."

Today Wale sees the present anti-

Semitic position of the "Socialist" regime in the historical continuity of Polish anti-Semitism as it had existed before World War II. For today's Polish intellectuals the history of Polish anti-Semitism is part of the history of their country, says Wale. Opposition to anti-Semitism is a part of the general democratic attitude. Wale is aware that the regime currently uses the Jews as whipping boys for a crisis which has been plaguing Poland for years. He feels, however, that the Polish society does not lend its ear as easily to anti-Semitic propaganda as it did in earlier periods.

In 1968 Poles responded strongly and favourably to the anti-Jewish incitement. The response after 1976 was much less pronounced, while today it is very weak, Wale says. The regime has contributed to this trend by simply overdoing its anti-Semitism. The attempt to portray the opposition, as "Jewish" is absurd and has been recognized as such by the population.

It is true that there are still Jews in the opposition - quite a few represent the opposition abroad after being forced into emigration in 1968 and 1969. The Polish population views dissidents, however, as heroes. Therefore, the Poles identify the Jewish activists with the admired opposition movement rather than the other way round. Maybe, for the first time in its history, at least in this form, Poland has Jewish popular heroes, Wale comments.

Many Poland-watchers would disagree with this assessment as over-optimistic. Indeed, the anti-Jewish sentiment in Poland cannot be eradicated within a few years. It has to be recognized, however, that the democratic opposition in Poland contributes a major share to the fight against anti-Semitism.

An affair to remember

THE TRUTH about the Lavon Affair is that it was purely a clash of personalities. Scheming or power? Revolt? "Not a bit of it!" says Yosef Almogi firmly. He was the general secretary of Mapai when the Lavon Affair erupted. "Political factions did try to advance their aims by jumping on the bandwagon; but originally, the contest was personal."

Almogi, "the strong man of Haifa," came to the fore as a Mapai personality after he led the seamen's strike against Ben Gurion at the beginning of the '50s. He then became a staunch partisan of B-G. He was a very successful minister of labour, but incurred the disapproval of his older Mapai colleagues when he attempted to curb strikes by giving the government powers that traditionally belonged to the Histadrut. He was mayor of Haifa for a few years, then became chairman of the World Zionist Organization.

Today, he is busy collecting material for an expanded version of his memoirs, writing a weekly column for a Haifa newspaper, and making *Brit Rishonim*, once a lethargic association of former Zionist activities, into a resolute body of men teaching Zionism to the pessimists.

"ONE MUST remember how Mapai came into being," Almogi says. "Its roots were deeply planted in late-19th century Russia, where young men took ideals dead seriously. Ideals were for them more real than facts - facts had to be bent to fit their ultimate aims. So they argued endlessly about what the goal should be, forgetting reality." Ben-Gurion and Ben-Zvi and Eshkol argued all the

THERE AND THEN
Sraya Shapiro



Pinhas Lavon (Yitzhak Gosen)

way from Canada to Egypt when they served in the Jewish Legion in World War I. It was out of these arguments that there emerged the interdependence, the "comradeship" that Golda Meir appreciated above everything else in political leadership.

And Pinhas Lavon, a younger man of different background, was wary. He never overcame his sense of being treated as an outsider by the Old Guard. When doubts were expressed about his conduct in the *esek bish*, the security "mishap" in Egypt in 1954 that resulted in the execution of two local Jews, he wanted to be cleared by his peers, the political leaders.

Ben-Gurion insisted on a judicial investigation. "Ben-Gurion told me he was sure Lavon would accept it, saying, 'Lavon is a clever man.' But nothing could affront him more

than being subjected to another investigation, like a common criminal.

WHY CARE about the Lavon Affair, one way or another, today? Simply to show that our political milieu has not changed much after all these years. Have you heard of a cabinet minister consistently criticizing the leader of the government of which he is a member, irrespective of the party to which he belongs? In a normal government, says Almogi, dissident ministers' views are made publicly only when he leaves office.

"That was the principle on which Ben-Gurion worked. He had very clearly-defined ideas about statehood. I once told Beba Idelson that the day B-G was ousted, the end of the Third Temple would begin. Perhaps I wouldn't say that today, but I was sure of this then, a long time before B-G was tried by a party tribunal for alleged subversion."

Almogi must be glad that recent events did not touch his own party. But the scene generally has not changed: political leaders feel they are independent, free, and of at least equal stature to the premier and the rest of the cabinet ministers. Very unstatesmanlike, but somehow it seems to work.

Who said the age of miracles is over?

Or is it simply the Mediterranean spirit? Georges Dubamel somewhere described two friends who, on leaving the *bistro* argued vehemently for over an hour, almost coming to blows, and then went back into the pub to have a beer together. Only cold northerners take words seriously.

Remembering Teddy White

By SHIMSHON ARAD / Special to The Jerusalem Post

THE NEWS of Theodore White's death on May 15 made me feel as if part of my own world was falling to pieces. Only a month ago I was at Teddy's house in New York, and he was bursting with energy and plans. The second part of *In Search of History* was very much in the making and he was immersed in collecting material and thought for the completion of his personal adventure.

His last book, *America in Search of Itself* or in its more familiar subtitle: *The Making of the President, 1956-1960* was conceived at the time to be his last book in this genre. A year or two ago, he was talking to me of re-visiting Israel. He wanted to spend some time in Jerusalem and was pondering whether a book on Israel might emerge.

His visit had to be put off. He was going to China and that somehow took precedence.

For over a quarter of a century I had dozens of encounters with Teddy White. The primacy of the English language never failed to reign in these conversations, but every so often, when evoked by a sentiment associated with Israel, or with a few Israelis whose friendship he cherished, the more eloquent Hebrew sentences would surge forward - their mastery so impeccable and impressive. Back in 1962, just before completing my service in New York, he handed me his first volume of *The Making of the President-1960* and in perfect Hebrew dedicated the book to David Ben-Gurion.

ALMOST 10 years later, on one of my visits to New York - it should have been either late 1972 or early 1973 - he was telling me, in full confidence, of the talks he had with presidential candidates for the 1972 elections. His recollection of the talk with President Nixon was of particular interest. Nixon was alluding to his efforts to reach an understanding with the Soviet Union. He mentioned the Middle East as one of the hard stumbling blocks to crack and then added: "I might have been more disposed to try to accommodate the Soviet Union if not for my commitment to Golda Meir. And as

long as she is in office, I am not going to let her down."

I was not certain at the time whether Teddy White was quite aware of how significant his message was. He had no way of knowing that Golda had serious thoughts of stepping down from her premiership when her term was over and not running in the 1973 elections. I learned all this only when I returned to Jerusalem and saw Israel Galili and Pinhas Sapir. They were both determined to extract from me every nuance of my conversation with White. It was clear to me that they were anxious to give Golda an accurate report of what had transpired between Nixon and his chronicler. But Golda was not apparently fully trusting her two ministers on this crucial point in her political life. She had known that they wished her to stay on and not to step down. This was obviously the reason she wanted to hear it from me all over, and probing with piercing knife, she asked time and again, what precisely was said and was there any undertone to this or that statement.

Months later Sapir said to me: Do you know that White's story on Nixon probably squashed whatever idea Golda may have entertained on stepping down. Things obviously were altered after the Yom Kippur war had broken out.

TEDDY White felt intensely as an American and keenly as a Jew. "America is, above all, about ideas and dreams - far more so than interests." And in his autobiography: "America was the open land. Though they carried with them the baggage of a past they could not shed, a past that bound all the exploring millions of Jewish immigrants together, they hoped America would be different, and yearned that it prove so."

Those of us who knew and loved him will miss him deeply.

The writer is a former diplomat, and served as ambassador to Mexico and Holland.

Muddle of instruments

MUSIC / Benjamin Bar-Am

THE ISRAEL CHAMBER ORCHESTRA - Doron Salomon conducting; with Eugene Istomin, piano (Tel Aviv Museum, May 19). Dan Yehosh: "Entites" (world premiere); Mozart: Concerto No. 24 in C minor for piano and orchestra, K.491; Beethoven: Sonata No. 3 in C major for strings; Hindemith: Suite from the Pantomime "The Demon", Op. 28.

DAN YEHOSH'S "Entites" is performed by a group of 12 musicians (woodwinds, brass and strings) each of whom has his own separate part. The effect was as if 12 persons were all speaking together, each one discharging completely different streams of words in short, it sounded like total, muddled confusion. Further on in the composition there is a solo, followed by sections in which the muddle is created by groups of instruments, which finally fade out on a single note. I admit not having been able to understand the message of this kind of modern music. Further hearings might make it more digestible.

This problematic piece was followed by the most misinterpreted performance of a Mozart concerto I have ever heard. There may be various conceptions and attitudes, all acceptable and convincing, but what

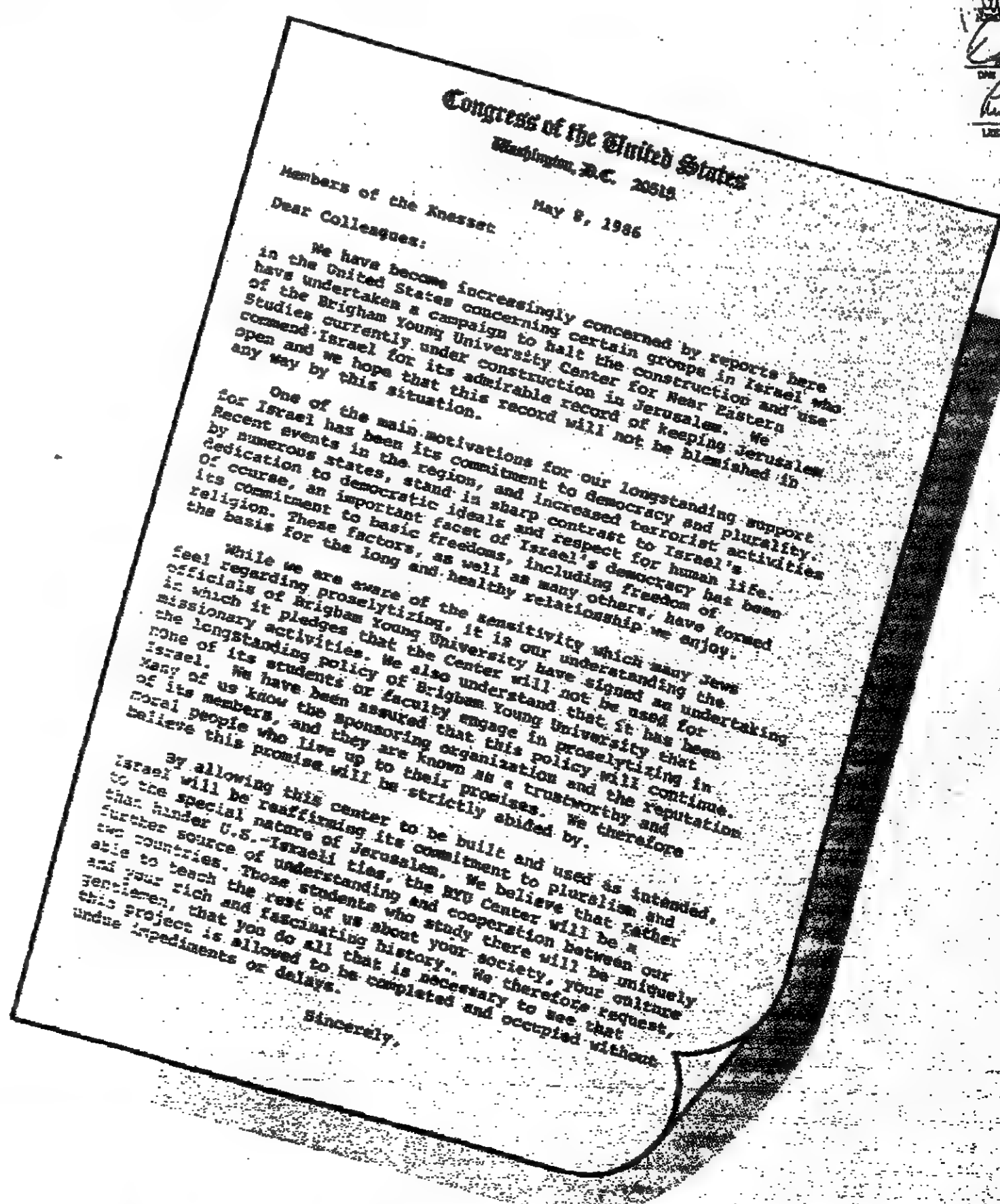
Istomin gave us was in fact a total destruction of Mozart. It was harsh or even offensive in tone, without any dynamic shades, and phrases appeared as petrified patterns, cast at the keyboard without even the vaguest hint at musical feeling.

Istomin systematically deprived Mozart of his musical existence. It is absolutely incomprehensible how this pianist - whom we remember from the early festivals as a wonderful musician - could have provided such an interpretation. As for the orchestra, it sounded heavy and opaque. In short: a really gruesome performance.

The Mozart was followed by an amateurish performance of the Rossini sonata. Salomon failed to combine the strings into a unified group, painfully ignoring pitch, rhythmic accuracy and beauty of sound.

Hindemith's Suite was the only item on the programme which provided some satisfaction and pleasure, though even in this piece Salomon's interpretation seemed rather simplistic and lacking in imagination.

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RAJIV GANDHI, India's inexperienced, young prime minister, is being accused of betraying his Congress Party's liberal traditions, of pandering to Islamic fundamentalism and condemning Moslem women to a lifetime of servitude in *burgas* (the suffocating, tent-like garment that is India's equivalent of Iran's chador) all for the sake of votes.

The storm is over a piece of legislation titled the Moslem Women (Protection of Rights on Divorce) Bill, which the prime minister rushed through Parliament recently and which he has stoutly defended to the anguish of his colleagues and the dismay of Indians who fear that India might be in danger of being dragged into the dark ages.

A Moslem secretary of the ruling Congress Party, Najma Heptulla, has already been sufficiently encouraged by the legislation to declare that she would have no objection to the introduction of fundamentalist religious laws, with punishments such as chopping off the hands of thieves or stoning adulterers to death.

What the law hopes to do is to exclude Moslems from the purview of India's civil law, so that a Moslem man need not have to pay maintenance to any or all the up to four wives he might divorce.

A junior minister in Gandhi's government, Arif Mohammed Khan, himself a staunch Moslem, resigned in protest before the law was passed. About 35 of the Congress Party's 43 Moslem parliamentarians appealed before the vote to the prime minister not to go ahead with a measure that denies Moslem women, the vast majority of whom are poor and illiterate, the rights enjoyed by other Indian women.

Eight women MPs representing

Leaning over backwards for Moslem votes

By SUNANDA DATTA-RAY / New Delhi

different parties and religions also wrote to Gandhi in similar terms. "This bill is not to protect Moslem women, but to throw them to the wolves," thundered a Marxist Muslim MP, Saifuddin Choudhury. Even India's chief Islamic prelate, the Imam of the Jinnah Masjid in Old Delhi, whose office dates back to the Mogul empire, had denounced the measure.

BUT GANDHI pressed ahead because of fears that the fundamentalist leaders of India's Moslems have withdrawn the support they traditionally extend to the Congress Party. This became clear when Congress candidates were defeated at the hands of orthodox Islamic politicians in two recent parliamentary by-elections, and when the Moslem-dominated United Minorities Front captured seats at the expense of the Congress in the Assam state assembly elections.

The calculation seems to be that Moslems would not have turned

against the Congress if it had not been for a judgment of India's Supreme Court ordering a Moslem man to pay alimony to his penniless and illiterate 75-year-old ex-wife, whom he had divorced after more than four decades of marriage.

While reformist Moslem organizations celebrated the verdict, the orthodox clergy rose in revolt and forced the divorced wife, Shah Bano, to confess that she had committed a sin in going to court, to withdraw her appeal and to ask the judges to set aside their judgment.

The case became a *cause celebre*, reviving the old debate about whether Moslem personal law relating to marriage, divorce, property rights and allied matters should be subject only to Koranic injunctions or governed by the law of the land. As the militant All-India Muslim Personal Law Board, the spearhead of obscurantism, raised the cry of "Islam in danger," Gandhi probably decided that he could not afford to be enlightened at the expense of his



Rajiv Gandhi (Camera Press)

political survival.

His other problems - continuing Sikh terrorism, a stalemate in Assam over the thorny question of deporting illegal Bangladeshi immigrants, unpopular price increases and the failure to fulfil his promise of signing a peace and friendship treaty with General Zia-ul-Haq of Pakistan - ruled out a more courageous stand. Islamic nations such as Egypt and Jordan can afford to bring Moslem law up to date, but Hindu-majority India finds it necessary to lean over backwards so as not to offend minority susceptibilities.

THE ALL-INDIA Moslem Personal Law Board's protest strikes were barely over when Moslems demonstrated over another grievance, leading to widespread rioting, deaths, looting and arson in Kashmir, Madhya Pradesh and Uttar Pradesh states. The latest dispute, which is still simmering, is over ownership of a building on the Ganges river in Uttar Pradesh which Hindus say is a

temple marking the birthplace of Rama, the legendary warrior-god-king, and Moslems claim as a mosque built in 1528 by one of the generals of the first Mogul emperor, Babar.

Over the centuries, the building, which is architecturally a synthesis of Hindu and Moslem styles, has been used for worship by both communities, at times even jointly. But, pending a decision on ownership, it was sealed under court orders 37 years ago and not opened until February 1, when a lower court judge in Uttar Pradesh granted a Hindu appellant permission to use it as a temple.

The award might not have given quite such offence if gloating Hindu groups had not at once led provocative victory processions through Moslem residential areas. The inevitable skirmishes led to a Moslem protest and bloody religious battles in many parts of northern India.

THESE RIOTS probably further convinced Rajiv Gandhi of the need to demonstrate solidarity with Moslem sentiment, especially since Pakistani ministers began to make embarrassing remarks about the plight of Indian Moslems. He can now turn round and tell General Zia that Islamic orthodoxy enjoys a legal protection in India that is not available in many Middle Eastern countries.

The irony is that in thus setting Moslems apart, Gandhi is seen to be following in the footsteps of the British, whose special measures for Moslems (educational facilities, separate electorates and reserved legislative seats) the Congress attacked, claiming that this policy of divide and rule prevented Moslems from joining the Indian mainstream and eventually led to the country's partition when the British left in 1947. (London Observer Service)

Fighting fears of 'foreigners'

By DOROTHEE JUNG / Geneva

"A BUNDLE of belongings isn't the only thing a refugee brings to his new country," proclaims the slogan on a United Nations poster above the furrowed brow of Albert Einstein.

Most people will have heard of Einstein, Nobel prize-winning physicist, whether or not they understand his theory of relativity. But how many know that he was also a refugee - and that so were other famous figures such as Chopin, Lenin, Freud, Marlene Dietrich and Victor Hugo?

For the past year, the UN high commissioner for refugees (UNHCR) has campaigned to break down mounting barriers erected against the tide of refugees worldwide.

Industrialized nations, it hopes, could give the thousands of Indo-Chinese, Middle Eastern or African refugees knocking on their doors more than a grudging welcome if they considered each one as a potential asset - not a liability.

As part of this effort the agency's magazine every month portrays famous figures who, at some point in their lives, suffered the upheavals of persecution and refugee existence.

"The list is endless," says editor-in-chief Michel Barton. "It is a response to the typical accusation that foreigners are a burden. That is economic nonsense - people who work and produce, enrich and become part of the fabric of a community."

The series illustrates that many famous refugees through the ages, regardless of the persecution they faced at home, have shouldered feelings of anxiety, fear and loneliness.

When the Italian poet Dante Alighieri was banished from Florence around 1300, accused of corruption and threatened with being burned alive, he quoted his father as saying:

"You shall be forced to abandon everything that is most dear to you. This is the first arrow from the bow of exile. You shall taste the bitterness of the bread of exile and learn how hard it is to walk the stairs of others."

ANOTHER EXILE was Spanish painter Francisco de Goya, who gained much strength from the presence of fellow emigres. His favourite portrait subjects were in the French immigrant enclave of Bordeaux. Nearly 80 years old, deaf and almost blind, he had crossed the Pyrenees in 1824, four years before his death.

Polish composer Frederic Chopin, urged by his family not to return after failure of an uprising against Russian military rule, tried to recapture the spirit of his homeland in music.

His odyssey finally ended in Paris where, his health sapped and his finances depleted, he died of tuberculosis in 1849.

At about the same time French writer Victor Hugo, "banished from the empire," embarked on an exile that was to last nearly 20 years. Disguised as a worker, he fled to Belgium only to be turned away and later went to the channel island of Guernsey.

"One cannot embrace the entire horizon of truth or understand that all human life...is sundered until one actually experiences the trials of exile," he wrote.

In 1900 Vladimir Ilyich Lenin, founder of the Soviet Union, fled tsarist police after three years' Siberian exile. He lived in Geneva, Zurich, Munich and London for 15 years.

A few decades later, Sigmund Freud, the Austrian Jew who was the founder of psychoanalysis, suffered the wrath of the Nazis. His works were burned in public, his family harassed. Finally they fled to Britain where he died in 1939.

Others who had their books thrown in Nazi bonfires were writer Thomas Mann and Einstein, who found sanctuary in the United States.

Another famous German to flee the Nazis was husky-voiced film star Marlene Dietrich, who took American citizenship in 1939.

"The United States took me in when I had no other country worthy of the name, and I will always be grateful for it," she wrote later.

(Reuters)

A great display of fakes

By JAMES VICINI / Washington

THE FEDERAL Bureau of Investigation, better known as a connoisseur of the underworld than the art world, has created a unique exhibit of works bearing such signatures as "Picasso," "Renoir" and "Monet."

Nothing quite like "The FBI Collects," a glittering little show loaded with great names, has ever been seen before in the U.S. capital.

All but one of 21 "masterpieces" on display at Washington's McIntosh/Drysdale Gallery are fakes.

The exception - an Anton Mauve landscape - was stolen.

"These works are not for sale. They must stay with the FBI," said Eleanor Beaton, assistant director at the gallery, where the forgeries will be on exhibit until June 15.

"A lot of people would pay a lot of money for the notoriety of having one of these paintings," says FBI agent David McPhee, who helps run the bureau's national stolen art file, which also keeps track of cases involving forgeries.

Each item was confiscated by FBI agents as evidence in criminal cases of forgery, fraud or, in one case, theft.

FORGED PAINTINGS, drawings, prints and the like are normally destroyed after the FBI closes a case.

Making the first exception to that rule, FBI Director William Webster agreed to lend these works to the nearby gallery to help publicize the little-known FBI role in investigating art theft and forgery.

Using the same forensic techniques employed in criminal cases involving murder or counterfeit money, FBI laboratory experts analyze the paint, canvas and signatures to detect forgeries in cases of suspected artworks.

The gallery, in a statement explaining the show, said art criminals have expanded their trade to take advantage of unsophisticated buyers.

FBI agent McPhee rejected the idea the exhibition may encourage more fraudulent imitations, saying, "enough people had the idea already. In art school, students make copies of famous works."

One item to be displayed, for instance, is a "Monet" done by David Stein, a convicted master-forgery now working as a legitimate artist in New York, who once wrote a book titled, "Three Picassos Before Breakfast."

In a twist on the forgery angle, the show will contain an unauthorized edition of six lithographs by Georgia O'Keeffe - prints of authentic works

but with false signatures.

Tests by the FBI showed the signatures on the lithographs were forged.

Each phony litho was selling for \$2,500 or \$15,000 for each six-litho set, he added. And, there were more than 1,000 sets on the market when the FBI moved in.

The only other information available on how much the con men were asking for forgeries on exhibit involved an imitation Miro print, offered at \$2,000 a copy.

IN THE normal course of handling this type of criminal evidence, which ends in destruction to ensure the works do not return to circulation, the bureau marks each piece, "Counterfeit: Property of the FBI."

The one genuine work included in the forgery show, the painting by Mauve, a cousin of Vincent Van Gogh, was evidence in a theft case. The rightful owner was never established and the FBI plans to donate it to a museum.

McPhee said the FBI had no firm statistics on the scope of art forgery. "So many have been purchased innocently by the victims and are still hanging on their walls," he said.

"There are a lot of frauds out there. Art forgery tends to be a difficult crime to prosecute, requiring proof that the seller knew the work was fraudulent," McPhee added.

Often, authorities must trace a chain of transactions on just one piece of artwork to discover the forger.

While the applicable laws vary from state to state in America, he said, there generally was nothing illegal about selling an imitation masterpiece as long as the buyer knew it was not authentic.

The FBI's national stolen art file, which McPhee runs along with agent Thomas Spitzer, does indicate the dimensions of the related crime of art theft - its computerized master list now contains some 4,000 stolen works, with a minimum value of \$2,000 each.

Spitzer said art theft has become a big international business, with an extensive underworld network involving those who steal art as a highly profitable long-term investment and those in the market for such wares, including rich connoisseurs.

"The problem with stolen art is that it is easy to transport and difficult to identify," Spitzer said.

"There are a lot of outlets for it, with an underworld network of people who traffic in stolen art, just like organized crime and narcotics."

(Reuters)



Banks' liquidity swings back into surplus

By PINHAS LANDAU
Post Finance Reporter

TEL AVIV. — The commercial banking system has swung back from the large liquidity deficits that it had accumulated last week and is expected next week to post large surpluses. This has already reduced "jumbo" interest rates on very large deposits from 19 per cent to 16.5 per cent, and will probably bring them down to 14.5-15 per cent in the next few days.

In the first half of May, the system accumulated large deficits, as the investing public placed large sums in new bonds issued by both the government and private sector. This shortage was countered by a decision by the Bank of Israel to reduce liquidity requirements on different kinds of deposits in the banking system, pumping an extra NIS 250 million into the system.

However, the central bank's move was more than cancelled out by the monthly movement of funds from the private sector to the government as payments for income and value-added tax. This month's payments were especially large, as April was a holiday month and the retail sector experienced a mini-boom before the Pesach holiday.

The transfers totalling NIS 400m.

and new bond issues of NIS 100m.-150m. thus created a liquidity deficit for the banks which, by the end of last week, amounted to about NIS 200m.

Now the pendulum is swinging back. The system is benefiting from large redemptions of maturing government bonds, as well as the early repayment of special deposits placed by the banking system in the Treasury in 1981 and 1982.

The deposits were a condition for obtaining former finance minister Yoram Aridor's permission to make share issues. The Treasury had taken in so much money from the public recently, through taxation and bond issues that it felt obliged to make early repayment on these deposits to help relieve the commercial banks' liquidity shortage. Otherwise, the banks would likely have turned to the central bank's credit window for loans to tide them over.

This early repayment, however, has strings attached and at least one bank — almost certainly Bank Leumi — has decided to turn down the offer.

NEST-EGG. — Kuwait reserves topped \$80 billion at the end of 1985, said the newspaper *Al-Wakeel*, quoting Finance Minister Jassim Khorafi. He said almost \$50b. was held abroad.

Poultry board let farmers exceed quotas

By YITZHAK OKED
Jerusalem Post Reporter

By not controlling production and letting many farmers exceed their quotas, the Poultry Production and Marketing Board helped create surpluses in poultry and turkey meat, the State Comptroller found.

Because most of the slaughterhouses in Israel are controlled by the settlement organizations, the controls and records over production are not always reliable, the comptroller said.

The comptroller said that at 1984 prices, it cost more to produce one kilogramme of poultry domestically than to import the equivalent amount frozen. The reason for excessive costs in domestic production is because fatter — the biggest single production cost — is not used efficiently by Israeli farmers, the comptroller concluded.

He urged that the board's policy on the production of local poultry products and imports be reviewed.

The comptroller criticized the Wine Grape Board for allowing Israeli grape growers to produce low-quality grapes that are not of export quality. Not enough has been done to encourage farmers to plant new vines of higher quality, he said.

When farmers did plant new vines, however, they often did so illegally. The comptroller estimated that approximately 1,230 dunams were planted without a permit. The Ministry of Agriculture has not brought any of the farmers to court.

The Citrus Marketing Board and the Fruit Production Marketing Board were both brought to task for not properly managing their advertising campaigns.

Tourism programme rife with problems

By GREER FAY CASHMAN
Jerusalem Post Reporter

The State Comptroller found a wide range of problems with the Ministry of Tourism's programme that brings foreign guests into the country to gain their impressions of Israel's tourist facilities.

The comptroller found that only 10 to 15 per cent of the Israeli Government Tourist Offices abroad actually conducted follow-up sessions with those foreign guests that were sent under the programme. In most cases, the offices did not have the final say on who would be sent on these promotional trips.

Instead, the airlines that supplied the tickets for these tours decided who would go. Many of their choices

were based on their own best interests and were not of any benefit to the Israel tourism industry *per se*.

In addition, many restaurants, hotels and other tourism-related businesses that are licensed and supervised by the Tourism Ministry supplied services to guests brought in under this promotional programme either free or at a steep

discount. The comptroller said this practice led to a conflict of interest, since the ministry was both regulating these businesses and, in effect, accepting gifts from them.

Although the comptroller did not report any instances of abuse in this matter, he recommended that the promotional tours be organized by associations of tourism professionals with assistance from the ministry, rather than by the ministry itself.

As in other ministries and government bodies, the comptroller found abuse of car privileges at the Tourism Ministry. Five government vehicles assigned for use in the ministry's promotional tours were rarely used for that purpose. The comptroller found that in the year to November 1985, the cars were used for promotional purposes only 22 per cent of the time.

Irregularities in extending credit and other financial aid to hotel owners also met with the comptroller's stern disapproval. Insufficient control was exercised in the allocation of aid, both in terms of the sources of funding and the purposes for which they were allocated. The comptroller estimated that in 1984 the hotels received \$2.3 million more in aid than they were entitled to.

Similar problems were also found in the aid provided to travel and tour operators.

The Customs Authority has done an inadequate job of overseeing foreign-currency earnings by the

tourism industry, the comptroller said. The authorities conduct only random checks that cover only 5 per cent of the industry in any year. These inspections concentrate on foreign-currency deposits in banks and not on funds translated into shekels, even though the reports by hotel owners to the Foreign Trade Insurance Company and the Bank of Israel are made in shekels.

As a result, there are discrepancies between the foreign exchange income and bank deposits reported by tourism-related businesses that have not been adequately accounted for.

The severity of this problem, the comptroller noted, was illustrated by the drop in the proportion of foreign exchange income deposited in local banks, from 93 per cent in 1983 to 70 per cent in 1984.

The comptroller recommended that before hotel owners receive financial aid from the ministry, they should be required to furnish proof that they have deposited or exchanged their foreign-currency income under the same conditions that apply to exporters.

Egypt said to plan big cut in oil output

CAIRO (AP). — Egypt has decided to reduce its production of crude oil and its by-products by six million tons starting in the fiscal year that begins July 1, the authoritative *Al-Ahram* reported yesterday.

The newspaper said the decision was taken in the face of the deterioration of oil prices in world markets. It gave no further details, and officials at the Oil Ministry and the state-owned Egyptian Petroleum Corp. were not immediately available for comment.

Egypt kept its crude oil production in 1985 to 44.3 million tons instead of 50.3 million tons as originally planned, *Al-Ahram* said.

At the beginning of the current fiscal year, Egypt was producing 870,000 barrels daily. But the world oil glut forced a cut of more than 200,000 barrels daily in late January and early February.

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1. Tours in English at 9 and 11 a.m. from Administration Building, Givat Ram Campus, Buses 9, 26, 24 and 16.
2. Mount Scopus tour at 1 a.m. from the Bronfman Reception Centre, Sherman Building, Buses 8, 24, 26 and 23 to the first underground stop. Further details: Tel. 02-582515.

AMIT WOMEN. (Formerly American Museum of Natural History)

Free Morning Tours — 8 Aikhal Street, Jerusalem. Tel. 02-582222. To visit our projects call Tel Aviv, 222239; Jerusalem, 226000; Haifa, 58817. FOR MORE INFORMATION, call Tel Aviv, 210791, Jerusalem 244878.

Information Centres

UNITED JEWISH APPEAL OF THE U.S. — 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721,

MARKET PLACE

By ROBERT ROSENBERG

Show business

Like Tora, there are no arts without bread. The Israel Festival has run on million-dollar-and-more expenses, developing deficits that bogged the mind and the festival directorate, which had to make annual promises it couldn't keep about not repeating the same mistakes.

So, when planning began for this year's festival, Isha Amrami, director of both the Jerusalem Theatre and the Israel Festival, and Oded Kotler, the artistic director, decided to cut whatever corners were necessary to make sure that at the very least the festival broke even. This year's celebrations are budgeted for \$700,000.

The Jerusalem Foundation, a key financial backer of the festival, got matching funds from the Education Ministry for the festival, as well as a commitment from it to cover past deficits amounting to several hundred thousand dollars from 1982, 1984 and 1985. The foundation, the Jewish Agency, the Foreign Ministry and Jerusalem City Hall also have put up money. The festival's annual gamble is ticket sales.

Of the \$700,000, some \$450,000 is being spent on the performances — this year some 50 in number, with about half from abroad. Some of the foreign groups, like the Spanish and Polish theatre and dance troupes, are subsidized by their governments, but, bringing some 250 artists and their equipment from abroad, and providing them with room and board at Jerusalem hotels is an expensive business.

Another \$40,000 is being spent on the street performers, almost all of whom are Israeli and are funded with honorariums or subsidies for costumes or props.

Another \$80,000 is being spent on advertising and public relations. That includes the budget for a computer linkup at the press centre, which is handling some 250 journalists and critics from Israel and abroad, and the publication of thousands of catalogues listing performances. The \$80,000 is critical, for it is the money that pays for getting the audience's attention.

Finally, another \$125,000 goes to administrative purposes. Some 70 people work full-time for three weeks, while Kotler and a secretary work the entire year. However, the entire Jerusalem Theatre staff of 22 professionals are not getting paid for their 20-hour-a-day labors during festival time.

That's just one reason, while looking at the performance in the single performing arts complex in Tel Aviv may have saved the festival company many tens of thousands of dollars.

The ticket sales were organized in three stages. With the knowledge that many of the purchasers would likely buy tickets to more than one performance, the first stage comprised pre-festival package deals. Some 40,000 tickets out of a total of 85,000 were sold that way, at prices far below that of the ordinary box office price.

The second stage came about a week ago, when the box office began offering tickets at full cost at prices ranging from NIS 55, for the best seats at a performance of some of the foreign troupes, to NIS 18 for seats at some of the performances by local artists. The third stage of sales began yesterday, with the announcement by festival organizers that an hour before showtime unsold tickets would be available for half price.

Some 70 per cent of the tickets were sold before the festival began. And as of yesterday afternoon, 24 of more than 100 performances were sold out. According to Amrami, the festival already looks as if it will cover its expenses. And with the 1986 Israel Festival likely to break even, the possibility of the festival making a profit is already on the organizers' minds.

Tourist purchases so far have been minimal — at least judging by sales at the 23 hotels throughout Jerusalem and Tel Aviv, where television sets are broadcasting a list of festival activities. Only about 50 tickets have so far been sold through Jerusalem hotels.

Some businessmen are doing a brisk business from the festival. The theatre's backstage restaurant doubled its staff and opened an extra coffee counter. Another businessman was given the concession for kiosks scattered around the building. In the plaza outside, several Jerusalem craftsmen were given booths for selling everything from clothing to ceramics.

The next two years of the festival will be dedicated to the 20th anniversary of Jerusalem's reunification and the country's 40th Independence Day.

Premiums to drop 5-9%

Simpler system planned for auto insurance

By PINHAS LANDAU

TEL AVIV. — A new and simpler system of car insurance approved by the Treasury should go into effect in August, bringing reductions of 5 to 9 per cent in basic premiums for the average car-owner.

At a press conference yesterday, the association's chairman, Alfred Goltz of Hasehah Insurance, told reporters that Yehuda Drori, the Treasury official who regulates the industry, had given his approval to the reform a few days ago. If the Knesset Finance Committee gives the green light, there is no reason why the new system should not go into operation on August 1, Goltz said.

The proposed reform sets out to meet three aims which the complex and volatile current system has made almost impossible. These are to allow car owners to find out more easily the differences between premiums charged by competing insurers, to smooth the wild fluctuations in the price of premiums and prevent price undercutting by some companies, and to simplify industry regulation.

Under the proposed system, all cars on Israel's roads will be classified into 50 groups, each of which will be given a fixed insurance tariff in shekels by each company. This tariff will be linked to an average of two price indices — the consumer price index and the car repairs index. These indices, the car groups and the applicable tariffs, will all be available to the public.

The basic tariffs will become cheaper by, according to the commissioner's calculations, 5 per cent, and, according to the association's figures, 9 per cent, both compared with the effective 1985 rates.

The reductions currently offered by companies which industry sources say have resulted in cut-throat competition, will be regulated as well. Such discounts as no claim history, single driver, collective reductions, fleet reductions and no-Sabbath driving, will be permitted, but the size of the discount will be reduced.

The bewildering range of optional extras currently offered will be combined into a single package that will automatically be supplemented to the basic policy. This will include coverage for breakage of windscreen, legal defence, and loss or theft of personal belongings left in the car. Only items such as air-conditioners, tape-recorders and radios will be left for optional insurance, beyond the automatic coverage.

Claims will be paid according to market prices, when the return goes into effect. That means that if the car is repaired, the repayment will be according to how much the garage charged, and if the vehicle is unreparable, according to its current market value.

The system for car insurance that the reform package is seeking to sweep away is far more complex than even its proposed successor. The premium for a vehicle involved complicated calculations to place it in one of more than 600 categories, depending on such factors as the make, model and engine size. Each insurer had its own system of reductions and additions, which rendered the final policy almost completely unintelligible to the client.

Association Chairman Goltz claimed that the proposed changes were originally taken up by the association on its own initiative, after realizing that if it took no action, the Treasury would eventually act unilaterally. But the real spur to action was the sharpening competition in the industry in recent months, as insurers came to realize that last year's relatively healthy profit margins gave them room to maneuver.

One of the changes in the prop-

osed reform package would permit the insurance commissioner to reject proposed tariffs that are much higher or lower than the industry norm.

In response to the charge that the whole reform package is primarily for the benefit of the industry itself, Goltz reiterated that the new system would make tariffs both cheaper overall and simpler to understand. In any event, he said, the heightened competition was threatening the profitability of the whole industry by increasing the anarchy conditions of 1982-83. A policy holder wants insurance from a financially sound company, said Goltz.

Ostrowicz, oil refineries agree to form venture

By MACABEE DEAN

JERUSALEM Post Reporter
TEL AVIV. — The decade-long fight of Joel Ostrowicz, chairman of the board of Israel Petrochemicals, with the Israel Oil Refineries ended Friday in what Ostrowicz called a "joint victory," specifically, the decision to set up a joint venture.

Under a plan that has already received government approval, Ostrowicz and the Oil Refineries will form a joint venture, Carmel Olefin Industries, to initially produce 100,000 tons of polyethylene annually. Plans are to spend another \$40 million to later boost production by 70,000 tons.

The plans also include a provision to begin production of polypropylene with an additional investment of \$50m. Ostrowicz said yesterday that

Israel Petrochemicals had the funds to make the investments.

For its part, the Oil Refineries agreed to boost its ethylene production capacity by about 30,000 tons to its current maximum. In addition, the Oil Refineries will spend \$15m. over two years to increase capacity by 70,000 tons to 200,000 tons.

Ostrowicz, a South American industrialist and petrochemical expert, has been fighting for years with the state-owned Oil Refineries, claiming that it was not producing enough ethylene — a feedstock for his plant, which produces polyethylene for the plastics industry, both here or abroad. And if they did produce enough, Ostrowicz claimed that they demanded exorbitant prices.

To the Oil Refineries' response that ethylene production was

unprofitable, Ostrowicz countered that the business could make money if output was brought to optimal levels. The pact should now enable the Oil Refineries to increase production to optimal levels, now that it will have a buyer for the output in Carmel Olefin.

If the agreement goes through, Ostrowicz said, Carmel Olefin will be operated by this company. Yair Rotem, who is general manager of Israel Petrochemicals, will also serve as general manager of Carmel Olefin.

The pact with the Oil Refineries is contingent on the government agreeing to treat Carmel Olefin as if it were located in Development Zone A. That designation will entitle the company to a host of benefits, including government grants and permission to raise as much as 30 per cent of the total investment cost overseas.

Ostrowicz said that Israel Petrochemicals posted a nominal profit of NIS 11 million in 1985, but when adjusted for inflation this became NIS 3.6m. loss.

Tel Aviv Stock Exchange

MARKET STATISTICS

Indices:

General Share Index	118.48	+0.30%
Non-Bank Index	142.73	+0.55%
Arrangement	107.77	+0.10%
Insurance	167.14	+0.13%
Commerce, Services	160.26	+0.96%
Real Estate	174.42	+0.21%
Industrials	131.38	+0.65%
Textiles	164.23	+0.20%
Metals	128.93	+0.40%
Electronics	108.97	+0.15%
Chemicals	128.53	+0.63%
Industrial Invest.	122.57	+0.66%
Investment Cos.	145.55	+0.11%
General Bond Index	108.24	+0.34%
Index-linked Bonds	108.39	+0.33%
Fully-linked	111.24	+0.04%
Partially-linked	108.13	+0.56%
Dollar-linked Bonds	98.94	+0.29%
Short-term 0-2 yrs	106.86	+0.39%
Medium-term 2-5 yrs	107.84	+0.42%
Long-term 5+ yrs	106.16	+0.01%

Turnovers:

Shares — total	NIS 12,142,700
Arrangement	NIS 2,760,100
Non-Bank	NIS 3,562,600
Bonds — total	NIS 4,738,100
Index-linked	NIS 2,189,400
Dollar-linked	NIS 1,939,700
Treasury Bills	NIS 2,255,600

Share Movements:

Advances of which 5%+	207 (193)
"buyers only"	38 (40)
Declines	90 (78)
of which 5%+	18 (14)
"sellers only"	1 (1)
Unchanged	89 (112)
Trading Halt	43 (45)

Bond Market Trends:

Index-linked	Mixed to 1%
3% fully-linked	

4.25% fully-linked

80% linked	Falls to 3%
90% linked	Rises to 1%
Double-linked	Slight rise
Dollar-linked:	
Admon	Rises to 0.5%
Rimon	Rises to 1%
Gilboa	Rises to 1.5%
For. Curr. denominated	
Treasury Bills	Mixed to 1%
(monthly yield)	1.20% to 1.46%

Arrangement yields:

IDB ord.	11.70%
Union 0.1	11.23%
Discount A	11.28%
Mizrahi r.	11.25%
Hapoalim r.	11.53%
General A	11.09%
Leumi stock	11.58%
Fin. Trade 1	10.65%

SELECTED PRICE QUOTATIONS

Name	Price	Volume	%
			WEEKLY change
Meir Ezra	4595	5.0	+10.7
Supersol 2	3380	2734.0	—
Delek r.	5650	3464.0	+0.5
Lightstar	15008	185.0	—
Cold Storage	3500	1068.0	+22.1
Dan Hotels	3552	165.0	—
Yarden Hotel	8000	251.0	—
Hilton 1	11700	27.0	+1.7
Team 1	1801	508.0	-3.1

Commercial Banks

(not part of "arrangement")	
Maritime 1	1122 2415.0 -2.2
General non-arr.	28011 75.0 —
First Int'l	3701 4370.0 +4.1
FIBI	4050 3736.0 +3.8

Commercial Banks

(part of "arrangement")	
IDB	81770 884.0 —
Union 0.1	61450 255.0 —
Discount	108320 203.0 +0.5
Mizrahi	33960 629.0 +0.4
Hapoalim r.	55750 114.0 —
General A	143650 8.0 +0.9
Leumi 0.1	35380 1647.0 —
Fin. Trade	47900 2.0 —

Mortgage Banks

Leumi mort. r.	5390 467.0 +3.5
Dev. Mort.	1400 2252.0 —
Mishkan r.	2813 4065.0 +10.0
Tafelot r.	13801 179.0 —
Morav r.	4890 636.0 +3.8

Financial Institutions

Agri C	61545 25.5 +10.0
Ind. Dev. DD	no trading
Cit Leasing 0.1	6300 367.0 -4.8

Insurance

Ararat 0.1 r.	999 990 -0.1
Hasehah r.	54531625.0 —
Phoenix 0.1	1585 998.0 —
Hamishmar	8900 38.0 -1.2
Menorah 1	8000 49.0 +1.8
Sahar r.	4550 145.0 -1.1
Zion Hold. 1	16220 — +0.1

Trade & Services	
Meir Ezra	4595 5.0 +10.7
Supersol 2	3380 2734.0 —
Delek r.	5650 3464.0 +0.5
Lightstar	15008 185.0 —
Cold Storage	3500 1068.0 +22.1
Dan Hotels	3552 165.0 —
Yarden Hotel	8000 251.0 —
Hilton 1	11700 27.0 +1.7
Team 1	1801 508.0 -3.1

Real Estate, Building and Agriculture

Azorian	85229151.0 +4.0
Elkon	39 7555.0 +1.5
Africa Isr. 0.1	34350 34.0 +0.3
Dankner	5000 134.0 —
Prop. & Bldg.	2850 2756.0 —
Bayside 0.1	4485 279.0 -0.6
ILDC	50900 121.0 +0.4
Rasico r.	6990 373.0 —
Mehadrin	6950 1043.0 -1.3
Hedarnir	1120 3126.0 —

Industrials

Dubak b	3960 1327.0 +1.8
Priz 1	225 87.0 —
Summit	5200 483.0 +1.8
Elite	15000 173.0 +0.9
Adgar	870 2480.0 +1.8
Argaman r.	13270 251.0 —
Delek G 1	no trading
Maquette 1	29100 12.0 -4.8
Eagle 1	13600 312.0 +9.7
Polgar 0.4	9950 339.0 +1.0
Schoeller	14750 122.0 -3.9
Regoin	3915 482.0 —
Union 0.1 r.	12250 457.0 +0.1
Is. Can. Co. 1	1115 5986.0 +2.8
Zion Cables	2475 325.0 —
Pecker Steel	7611 247.0 —
Elbit 3 r.	445000 31.0 —

Elron	394000 17.0 -0.1
Art	32350 110.0 -0.2
Cit Electronics	2705 1883.0 +0.5
Spektron 1 r.	2290 2857.0 +2.7
T.A.T. 1	3962 790.0 +2.0
Ackstein 1	1500 604.0 —
Agan 5	20000 404.0 +8.4
Alliance	1540 1255.0 +4.8
Dexter	4180 318.0 +1.1
Fertilizers	6250 273.0 +2.5
Haifa Chem.	844 3770.0 +0.1
Teva r.	55100 39.0 —
Dead Sea r.	15200 1202.0 —
Petrochem.	3833 5.0 +5.0
Neca Chem.	10400 111.0 -8.6
Hadera Paper	20300 148.0 +1.8
Central Trade	6290 443.0 +1.7
Koor p.	5500000 0.4 +0.4
Cit Inds.	14462247.0 —

Investment Companies


IDB Dev. r.	4000 4569.0 —
Elkon	2805 2395.0 —
Alfa 1	no trading
Gabalet	1645 468.0 -5.7
Israel Corp. 1	7020 332.0 +0.3
Wolfson 1 r.	114500 5.4 -3.0
Hapoalim Inv.	5396 3002.0 +4.9
Leumi Invest.	4905 151.0 +0.1
Discount Invest.	2483 918.0 +0.1
Mizrahi Invest.	18904 206.0 +9.0
Cit 10	874 7329.0 -0.2
Lendecor 0.1	10000 53.0 —
Pama 0.1	9210 135.0 +7.5

Oil Exploration

Paz Oil Expl.	12550 26.0 +0.8
J.O.E.L.	1536 365.0 —

Abbreviations:

s.e. sellers only	b buyers
b.e. buyers only	r registered



TEL AVIV UNIVERSITY

The George S. Wise Faculty of Life Sciences The Sackler Faculty of Medicine

The Cancer Biology Research Center

Lecture by
Dr. Robert C. Gallo
National Cancer Institute N.I.H. — USA

"Human Retroviruses, Leukemia and AIDS"

On Tuesday, May 27, 1986, 4:00 p.m.
Trubowicz Building
Malika Brandler Hall of Justice
Tel Aviv University Campus Ramat Aviv
Entrance through Ramnissanu Gate (4)

THE PUBLIC IS INVITED

OTZAR HITYASHVUTH HAYEHUDIM B.M.


NOTICE IS HEREBY GIVEN that the Annual General Meeting, being the Thirty First Ordinary General Meeting of the Company, will be held at the Registered Office, 26-28 Yehuda Halevi St., Tel Aviv, on Wednesday, June 4, 1986, at 10:20 a.m., for the following purposes:

- To receive and consider the Accounts for the year ended December 31, 1985 and the Reports of the Directors and the Auditors thereon;
- To elect Directors, to accept notice from Directors not presenting themselves for re-election, and to indemnify Directors serving on behalf of the company as Directors of other companies;
- To appoint Auditors and fix their remuneration;
- To transact any other business of the Company required to be dealt with at such meeting.

By Order of the Board,
A. SULLAM, Adv.
Secretary

Tel Aviv, May 16, 1986

Notes: A member entitled to attend and vote at the above-mentioned meeting, is entitled to appoint a proxy or proxies to attend and vote in his place.
Such proxy need not be a member of the Company.
This notice replaces the notice published on May 21, 1986.



EGYPT

Daily bus

525 - 520* - One way

548 - 538* - Tel Aviv - Cairo - Tel Aviv

573 - 563* - Tel Aviv - Cairo - Tel Aviv

579 - 569* - 4 days/3 nights on B.B. beds

5125 - 4 days / 3 nights on half board

5320 - 8 days/7 nights on half board

All the tours are available in deluxe hotels.

Special Offer for Students

Cairo & Back - 3 Nights

Hotel Lotus - (TOWN CENTER) \$54

Dollar rates for tourists


Weekend reduction or Youth Fare

Tel Aviv 142 Hakevan St. (05) 221372

Jerusalem 2 Zvi St. (02) 246155

Tel Aviv 1067 20330 20550

Galilee Tours



FINANCIAL DATA: ISRAEL, EUROPE, U.S.

ISRAEL MONEY MARKETS May 22, 1986

SHEKEL INTEREST RATES
PRIME BORROWING RATE: 1.25% per month
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pakam 7-Day	Pakam 30-Day
LEUMI	22.5	9-14.5%	8-15.75%	8-15.25%
HAPAOALIM	20.5	9-14.5%	8-15%	9-15%
DISCOUNT	8.4	7-13%	7-14%	9-14%
MIZRAHI	8.5	9-16%	8-15%	8-17%
FIRST INT'L	12.3	6-13%	7-13%	6-13%

Rates vary according to size of deposit.
(Tapas: demand deposit paying daily interest.
Pakam: fixed-term deposit available from 7 to 59 days.)

PATAH — FOREIGN CURRENCY DEPOSIT RATES (as of May 22)

	3-MONTHS	6-MONTHS	12-MONTHS
USD	6.500	6.500	6.625
STG	8.375	9.000	8.875
DMK	4.000	4.000	4.125
SFR	4.125	4.000	3.875
YEN	3.375	3.125	3.375

THE JERUSALEM POST

Ari Rath
Editor and Managing Director

Erwin Frenkel
Editor

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TED LURIE, Editor 1974-1975 LEA BEN DOR, EDITORIAL OFFICES AND
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The Waldheim dilemma

THE EVIDENCE against Dr. Kurt Waldheim is mounting steadily. The latest addition to the growing file on the favourite candidate for Austria's presidency in the coming runoff election is an item which shows him to have been an intelligence officer with the German army in the Balkans during World War II, whose duties were to make proposals about reprisal actions and the treatment of prisoners.

This is the kind of evidence about himself which the former Austrian foreign minister and past UN secretary-general has long sought to consign to the dustbin of history. For years, Dr. Waldheim would present himself as always a staunch anti-Nazi, son of a fervently anti-Nazi Austrian family. He had been forcibly inducted into the Wehrmacht, it was true, but he had quit military service after being wounded on the Russian front in 1942, and that had been the sum total of his military service.

An intriguing tale, but an absolute lie. During the past nearly three months Dr. Waldheim, first jumped upon by the Vienna weekly *Profil*, then clobbered almost daily with revelations by the *World Jewish Congress*, and then hounded by a whole army of historical researchers and investigative journalists, has started making retractions. But only partial ones: true, he had not told all the truth about his wartime experience. But he had in any case only been a humble translator or whatever, and no war criminal. Any suggestion to the contrary was not only libellous but an interference in the Austrian electoral process.

The would-be president found it somewhat difficult, however, to rebut charges that he had not only been privy to, but, at least, indirectly involved in the deportation of Salonika Jews to Auschwitz, the mass murder of partisans in Yugoslavia and Crete, and the torture and execution of British war prisoners, and had been placed on lists of wanted war criminals by both the Yugoslav and the UN War Crimes Commissions.

The difficulty did not prevent Dr. Waldheim from very nearly winning the first round of the presidential elections on May 4. Indeed it probably aided him. His chances of winning the second round could only have been improved by a swelling tide of nationalism, strongly tinged with anti-Semitism that should have been the expected reaction in Hitler's homeland to a seemingly anti-Austrian campaign by "foreign Jews."

The prospect confronted Premier Shimon Peres with a painful dilemma. Dr. Waldheim's election would be a severe blow to Austrian-Israeli relations, yet Israel has many reasons to maintain at least normalcy with Austria. It was demeaning for Israel to be drawn by the unrepresentative WJC prematurely into a clash with Austria, yet Israel could not act as unconcerned about Dr. Waldheim as the Yugoslavs and the Greeks. Let alone the UN. In the meantime, pressures for scrapping the initial "low profile" policy on the Waldheim candidacy were rising within the cabinet itself.

On Sunday three weeks ago, the day of the first round of the Austrian elections, Mr. Peres, replying to a query by the new Justice Minister, Yitzhak Moda'i, put it that the Justice Minister should assemble all available material about Dr. Waldheim, analyse it, and if that proved that "Kurt Waldheim served in the Nazi army and acted against partisans and Jews, we will draw all necessary conclusions."

The formulation was somewhat unhappy. That Dr. Waldheim had served in the German Wehrmacht - strictly speaking there never was a "Nazi army" - is beyond doubt, and there is also no doubt that he "acted against partisans or Jews." What is to be determined is the extent and depth of his guilt, and Israel's response to the fact that he is the leading candidate today for the post of Austria's president.

Last Thursday, Mr. Moda'i felt able and willing to broadcast the happy news over Kol Yisrael that "there is a basis for putting Kurt Waldheim on trial, if he were in Israel, for involvement in war crimes."

Thus, arrogating to himself the power of the attorney-general to decide who is and who is not fit to stand trial, and ignoring the cabinet's prerogative to "draw all the necessary conclusions" from his ministry's findings, Mr. Moda'i made his own decision. But it cannot be allowed that, by shooting off his mouth again, Mr. Moda'i will lay down the law, not to Dr. Waldheim, who is not expected to step on Israel soil any time soon, but to the Israel government on a matter of great moral import.

WALDHEIM

(Continued from Page One)

are 2 English batteries (7.5 mountain artillery) under the direction of English majors.

"Croatia: In area of Ljubunski - Vrgovac (25-30 SW Mostar) 6 tanks, 1-2 of them larger American models, the rest smaller Italian types. According to reports by Croat militia, clashes between Tito units and Cetniks in the area 20 SW of Konjic."

And so Waldheim's reports go on. On July 17 there is one which says in part, that the (Greek) island of Kefalonia has finally been cleared of Communist gangs. 136 enemy dead, 3 prisoners; booty: 51 rifles, 1 machine gun, quantities of ammunition and food. The encampment was destroyed.

The evening report of July 16 says that the port of Simi has been occupied without resistance and that the whereabouts of the Italian occupying force are unknown.

The same report has it that during a British reconnaissance flight over the Dodecanese islands, one Spitfire was damaged by ground fire.

The day's report ends with the observation that the value of a British pound sterling has risen to 320 Mill. drachmas.

In his report of July 11, Waldheim says that the ship Anita has been sunk by an enemy U-boat near the island of Mykonos.

In a further report on the fighting in Greece, Waldheim says that bandit attacks in company strength in the area of Kipurio left 102 Greeks dead, 56 prisoners (2 Englishmen), several deserters to "our forces." Among the booty were 44 rifles, 4

EXTRADITE NOW

PAUL KORDA

WHAT IS the last resort of a frustrated, ex-civil servant who feels he cannot correct a perceived wrong through regular government channels? In a free society, ultimate redress lies in the court of public opinion addressed through a free press.

Nearly two years of exasperating efforts to coax my colleagues in the Justice Ministry into taking some concrete steps to bring Nazi war criminals to justice were largely futile. The punishment of Adolf Eichmann and the prosecution of accused Treblinka guard John Demjanjuk were enough to satisfy the guardian elite of Israeli law.

We had a large list of potential targets - Nazi war criminals who had found haven in the U.S., Canada, Western Europe, and Australia. We had a mighty legal weapon at our disposal - extradition, based upon treaties with states with whom we had good relations. We had the largest concentration of victim/eyewitnesses to the Nazi atrocities living within our own borders; the greatest archive of the Holocaust. Yad Vashem, a few minutes drive from our offices; and a sophisticated worldwide intelligence gathering network at our disposal. We had the political support of our electorate and the moral as well as, potentially, the financial support of Diaspora Jewry. And we did not need to nothing.

A few pious pronouncements would occasionally emanate from our officials. But the real policy of the Israel government, with rare exception, was and continues to be one of deliberate avoidance and delay concerning the pursuit of Nazi war criminals.

How else can one explain why it took Israel so long to discover the Nazi past of Austrian presidential contender Kurt Waldheim? Waldheim's 10-year tenure as UN secretary-general coincided with that august body's most vicious anti-Israel propaganda campaign, including the "Zionism equals racism" resolution. Yet it was only several years after Waldheim left his UN post and only after the dramatic disclosures of the World Jewish Con-

gress that Israel reluctantly agreed to look into his background.

While researching the UN archives on Waldheim, Israel came upon yet another revelation. The archives contain incriminating evidence against some 40,000 suspected, accused, and convicted Nazi war criminals. Left curiously unexplained was why the Jewish State had never before bothered with this information, especially since it had been available to it since 1948.

In its latest move in the let's-pretend-we-are-really-interested-in-war-crime game, the government of Israel recently dispatched Yad Vashem chairman Yitzhak Arad to UN headquarters. His mission: to search for "evidence" against about 2,000 Nazi war criminals. Of those included on a list of about 20 names considered "most urgent," nearly all are out of the reach of Israeli law.

Alois Brunner, Eichmann's henchman, now living in Damascus, has for years enjoyed official Syrian protection from prosecution. Walter Rauff, inventor of the mobile extermination van, was officially pronounced dead in Chile over two years ago. Bishop Valerian Trifa, instigator of pogroms in Romania, quietly left the U.S. to live in Portugal (a state without an extradition treaty with Israel) after Israel spurned U.S. attempts to deport him there.

LAST FEBRUARY the U.S. Supreme Court's unprecedented decision allowing Israel to extradite John Demjanjuk did not move Israel to request even one other extradition of a war criminal. This, in face of the fact that Trifa and Kozl had already cheated justice and others of their ilk were liable to do the same. An outbreak of itching feet among the at least 350 U.S. residents currently under U.S. investigation concerning World War II Nazi activities would not at all be surprising. Israel's doing nothing policy was confirmed to me by my former boss, State Attorney

Yona Blatman, who, shortly after Demjanjuk's arrival, told me that no further extradition requests for U.S.-based war criminal suspects would be sent, at least until after the conclusion of Demjanjuk's trial.

Blatman correctly asserts that the state lacks sufficient resources adequately to prepare and to prosecute Nazi war criminal cases. This is sadly demonstrated today by the police's continual (five at last count) requests for extensions for Demjanjuk's remand order, even though the police had over two years to prepare the case. Menahem Ruskak, chief of the Nazi Crimes Unit at national police headquarters, is a lonely man. His unit consists of one, over-worked, aging cop - Ruskak himself. The state lacks the proper resources, because the state's political elite lacks the will to allocate the resources.

Former justice minister Shmuel Tamir blames the lack of will on the desire of some Israeli politicians, of varying political stripes, to appease post-war Germany in order to gain its political and economic support.

AS FOR me - and others born after the Holocaust - the words of playwright Ben Hecht ring as hauntingly true today as they did a generation ago when they were written.

"Honour does not lie in forgetfulness, nor does balm lie in the smile of the (former) enemy. We do not look for hanging more (Nazis) for their crimes. Vengeance is a tiresome echo of evils done. What we dream of is - Jews strong enough and honest enough to hate their killers... rather than Jews cooing diplomatically... in German, Austrian, or UN offices."

Although the clock is ticking away, Israel can still act with honour. Those who, like Demjanjuk, are extraditable, whose alleged offences are both great and provable, and who are physically fit enough to be tried and punished, should be brought here forthwith. Their numbers are not large. That this is too little too late is defeatist nonsense. The cooing must stop now.

The writer is an attorney, formerly in the Justice Ministry's international section.

HELP SAKHAROV

ERIC LEE

ANDREI Sakharov, the eminent Soviet dissident has just marked his 65th birthday while in continuing internal exile. The occasion has prompted appeals for his freedom from some official quarters in Europe and Amnesty International.

To date, Soviet Communist Party chief Gorbachev made himself perfectly clear: Sakharov will never be released from the Soviet Union. The Nobel Peace Prize recipient knows too much about hydrogen bombs (after all, he built the first Soviet H-bomb); his departure would be a threat to Soviet national security.

No one believes this argument, of course. Sakharov's case has been adopted by most of the world's civilized countries, and the full weight of American and European influence has been thrown into the struggle to end the persecution of the Soviet Union's greatest physicist. His exile to Gorky in 1980 triggered a wave of protest which has never died down. His name comes up at every East-West summit. And still he is no closer to being released.

Israelis have a special stake in Sakharov, and feel a unique closeness to him. He is truly a righteous gentile, one of very few in the Soviet Union - and in the world - who have consistently, forthrightly and bravely spoken out on behalf of Israel and the Jewish people. Sakharov has been part of the Soviet Jewish struggle from the very beginning.

In 1968, in his very first dissident writings, Sakharov criticized the USSR's severing of relations with Israel. The diplomatic break, he wrote, was "a mistake, complicating a peaceful settlement in this region and complicating the necessary diplomatic recognition of Israel by the Arab governments."

In 1971, when the struggle of Soviet Jews was in a critical stage following the Leningrad hijack trials, Sakharov - still a "Liberal," still supporting reform of the Soviet system - urged that "Laws should be passed to ensure that citizens may easily and without hindrance exercise their right to leave the country

and freely return to it." He befriended Jewish dissidents, and became an admirer of Colonel Davidovich, who died before Soviet authorities would allow him to emigrate to Israel. "He was murdered," wrote Sakharov, "because he selflessly struggled for the right of Soviet Jews to emigrate to Israel and wholeheartedly defended every victim of persecution."

In 1975 Sakharov was awarded the Nobel Peace Prize. By then his criticism of Soviet policy had become comprehensive. His sympathy with the cause of the Jewish people, and not only Soviet Jews, had also broadened and deepened. In his Nobel Peace Prize lecture, written in the wake of the United Nations decision equating Zionism with racism, Sakharov took a brave stand. "Zionism," he wrote, "is the ideology of a national rebirth of the Jewish people after two thousand years of diaspora, and it is not directed against any other people. The adoption of a resolution of this kind has damaged the prestige of the United Nations."

THROUGHOUT his years of struggle as a dissident, Sakharov has always remained a supporter of the struggle for free Jewish emigration from the Soviet Union, a friend of Israel, an enemy of terrorism and a fighter for Jewish prisoners of conscience.

Of course the Israeli government, public figures and institutions, would support Sakharov's release. And it might be argued that in the international uproar on Sakharov's behalf, what more could little Israel's voice add? But here in Israel, far from the deafening roar of protest that emanates from Washington, Paris, and other capitals, we hear little from our leaders on behalf of Sakharov.

Israeli delegations travelling to Moscow usually promise to raise the

Soviet Jewish question, but never make mention of non-Jewish dissidents. ("We don't want to complicate the two issues, dissidents and Jews," one politician told me.) The prime minister meets with foreign statesmen, travels abroad, mentions Jewish prisoners of conscience, but not Sakharov. After all, we can't speak out for everyone. We have limited influence as it is with the Soviet Union. Let's just get our own kind out first, then we'll take care of our friends.

Israel owes a debt to Sakharov - a debt which cries out to be repaid. Sakharov fought for the right of Jews to emigrate, when he himself had no desire to emigrate. He defended the right of Jews to a homeland, when his own homeland was secure and its right to exist unchallenged. He protested on behalf of Jewish prisoners when there were still many Russians suffering in Soviet jails. He didn't take care of his own kind first; Sakharov's greatness consists of his broad vision, his concern for all mankind.

It is time for the Israeli Government to raise Sakharov's name in every international forum, in every contact with foreign statesmen, and especially in the delicate negotiations with Eastern bloc countries like Romania and Poland. It is time for the World Zionist Organization to mobilize the whole Zionist movement in a global campaign on Sakharov's behalf. It is time for the Histadrut and the political parties to speak out, and to speak out in international forums as well. It is time to form a public committee on Sakharov's behalf, here in Israel.

It is time for Israel to repay its debt to Dr. Sakharov.

The author, a member of Kibbutz Ein Dor, edits the democratic socialist quarterly *The New International Review*.

Dry Bones



READERS' LETTERS

THE VATICAN AND THE JEWS

To the Editor of *The Jerusalem Post* Sir, - For the record, I would like to add a footnote to your editorial of April 15 on the Pope's historic visit to the main synagogue in Rome. That editorial called on the Church to "explicitly disavow the implicit Catholic doctrine that views exile as right punishment of the Jews for their sins." This, I believe, has already been done.

Implicitly, but effectively, this was accomplished when the Second Vatican Council denounced any sense of "collective guilt" on the Jews for Jesus' death "then or now," stating as a firm hermeneutical principle that "the Jews should not be represented as rejected by God or accused, as if this followed from Holy Scripture." If there is no collective guilt, obviously there can be no question of "right punishment" or "divine retribution" with regard to the Exile.

The much-debated section of the 1985 Vatican "Notes on the Correct Way to Present Jews and Judaism in Preaching and Catechesis" on Jewish peoplehood, Land and State of Israel (Section VI), made the point positively. "The history of Israel did not end in the year 70. It continued, especially in a numerous Diaspora which allowed Israel to carry to the whole world a witness - often heroic - of its fidelity to the one God and to 'exalt him in the presence of all the living' (Tobit 13:4), while preserving the memory of the land of their forefathers at the heart of their hope (e.g. Passover Seder)."

This, in conjunction with the Council's teaching, clearly points to a positive interpretation of the Exile while at the same time affirming the validity of Jewish attachment to Eretz Israel. The existence of the modern State of Israel is then recognized *de jure* as well as *de facto* on the basis of "the common principles of international law," though Catholics are warned (twice) against approaching to Israel's "political options."

While the latter portion of this statement may not be satisfactory to Israelis in the absence of an exchange of diplomats on the official *nuncio* level, there should be no question in anyone's mind of the clarity of the Church's theological stance today. That teaching is positive, explicit, and already effective in the classroom.

EUGENE J. FISHER
Executive Secretary,
Secretariat for Catholic Relations

Washington, D.C.

ISRAEL AND NEW ZEALAND

To the Editor of *The Jerusalem Post* Sir, - I am a New Zealander from Rotorua and I was very pleased to read an article about New Zealand in your issue of April 29. However, I would like your readers to know that the Maoris did not arrive by accident and were not exploring or blowing off course, as the article suggests.

Years before the Maoris arrived, the elders had sent the great explorer and navigator Kupe to find new land. He left his homeland and, using his great knowledge of the ocean and the stars to guide him, he found the land of the Long White Cloud, Aotearoa, and travelled back to his people to tell of his find. In time, there followed a migration of great canoes to a land already inhabited by a pale-skinned race of people, the Mori-ori, who were gradually made extinct by the newcomers.

The Maoris had a social structure all their own which has survived to this day, with some changes, of course, over the past 150 years of European influence.

I have loved the time I spent in Israel amongst her generous people. I will take back to New Zealand your article and will tell the people that New Zealanders have a place in the hearts of Israelis.

KAREN PETRY
Savoyon (Rotorua).

TRAVEL TAX EXEMPTION

To the Editor of *The Jerusalem Post* Sir, - According to a JTA report you published on May 6, Israel will grant a travel tax exemption to participants in German-Israeli youth exchange programmes. Important though this programme may be, it is no more valid a travel reason than the desire of olim who want to visit family left behind.

I have four grown children in the U.S. If I cannot afford to visit them occasionally, I cannot continue to make my home in Israel. The travel tax, which was supposed to be temporary, on top of the increased air fares engineered by our friendly travel agents with the help of their pals in the Ministry of Transport, has just about put paid to the abilities of olim to maintain bridges with family back home.

Germany's desire for more travel business seems to come before all else and Israel's catering to this need while ignoring olim from the west can only result in more yordim and less aliya.

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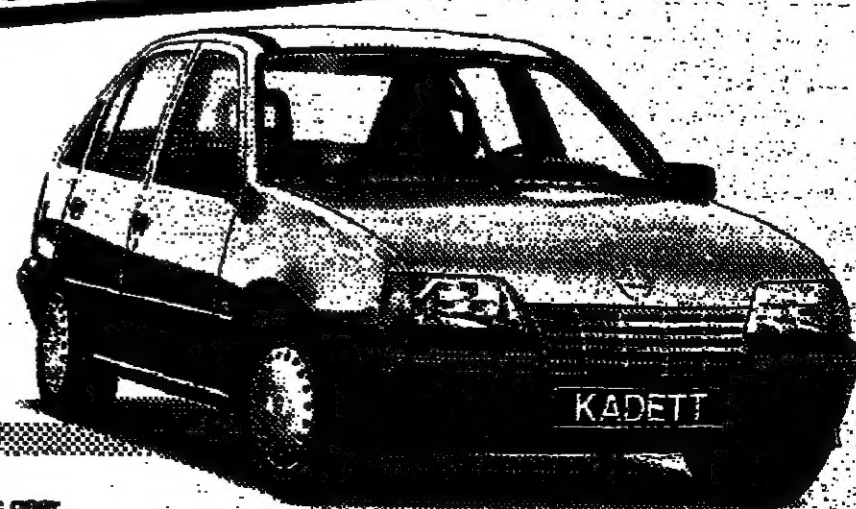
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